

# Purchasing Week

MCGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

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Vol. 1 No. 41

New York, N. Y., October 13, 1958

\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

## P.A.'s Hit, Back Steel Tag Rise In P.W. Study

New York—The steel industry should have fought harder to hold the price line against increases despite higher labor costs, the majority of purchasing executives contend in a survey just completed by PURCHASING WEEK. A substantial segment of the purchasing agents nevertheless concluded steel had no other recourse but to announce higher prices after wage costs went up last July 1.

Fifty-seven per cent of the P.A.'s contacted in the poll answered no in replying to the question: Do you believe recent price increases in steel and other commodities were justified? Yet forty per cent stated they viewed the higher prices as necessary, and 3% said the price action was at least partly in order.

The same P.A.'s also were  
(Continued on page 21)

## Coal Tag Boost To Hit 25¢ a Ton

Washington—A boost in bituminous tags, possibly followed by a hike in anthracite prices, is in the cards for buyers of coal in the next few months. The bituminous boost, of some 25¢ a ton, will probably stick for quite a while and then ease in the usual coal price pattern. Tags now are down some 5% from a year-ago.

The boost will come despite the fact that bituminous output has lagged behind 1957 totals since the start of the year. Production to date is running some 22% behind last year (see chart p. 3). And even a healthy fourth-quarter upturn will not prevent total 1958 output from trailing last year by 15 to 18%. The downturn in coal production  
(Continued on page 3)

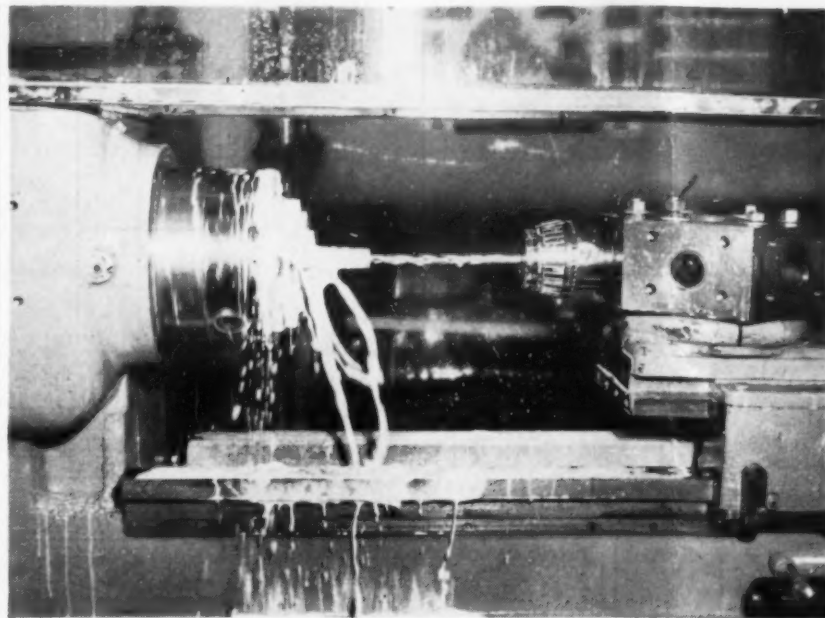
## P.A. Seeking Stature, Has Needless Fears For Job, Survey Shows

Midland, Mich.—The purchasing agent is a man seeking professional stature and a man suffering from uncertainties because of his job tensions.

These are the findings of a motivation study of over 100 P. A.'s made for Dow Chemical Co. Independent research psychologists made the study without mentioning the sponsor.

In revealing the results to PURCHASING WEEK, Parker Friselle, Dow's market research department manager, said the company has already incorporated them into its sales training program.

These salesmen are being taught that they will find it worth-  
(Continued on page 21)



IN ACTION Cold Point drill pierces work at left in quick time. In this instance the coolant pours out of a hole bored in the work piece.

## New Drill Keeps Heat Out of Job; Advantages Explained for P.A.'s

Mt. Healthy, Ohio—Purchasing executives in the metalworking industry can soon add a new tool to their companies' arsenal for drilling jet-age super-hard metals and materials.

Developed by Mossberg, Inc., a new drill, trademarked Cold Point, eliminates heat from the drilling process. In demonstrations, it has drilled deep holes, without the need for withdrawal, through a variety of different materials ranging from wood and plastic to the rounded surface of ball bearings, and tough hard alloys.

It needs no special equipment, can be used on any standard chuck. No special grinding de-

vices for sharpening are needed. And when the job is done the drill is cold—cold enough to hold immediately with the bare hands and so is the material drilled.

Because of this, the company's president, C. W. Mossberg, says, Cold Point will drill into plastics without binding. And it will last much longer than regular drills even though used continuously on hard metals. For the same reason, accuracy is also improved.

It is tough enough to have drilled an experimental 3-in. deep hole into a block of carborundum, a material only one-half degree softer than diamonds. But Mossberg ruefully admits, the  
(Continued on page 22)

This Week's

## Purchasing Perspective

OCT. 13-19

With recovery well on the way, about the only factors still subject to extended debate are answers to the question: How much and for how long? The ultimate solution would seem to depend on the sustaining vigor and strength of a large crucial area—consumer demand—in the months just ahead.

With the increasing tempo of activity finally spreading through all segments of the industrial scene, more and more evidence accumulates to underscore the key role played by inventory policies during the recession and in the turnaround. The Federal Reserve Bank of New York comments on this in a recent bulletin, stating that "the precipitous rate at which stocks have been liquidated may even lend strength to the recovery."

Furthermore, the bank adds, the "cessation of inventory liquidation and rebuilding of stocks by manufacturers could contribute substantially to increasing the speed of the upswing." But there's one more step: Ultimate demand will be the final deciding factor with consumer spending of paramount importance.

The flood of statistics being released to show that the recession is fading fast still haven't removed a source of anxiety for numerous economists, politicians, and more than 4 million unemployed. Unemployment is one big indicator that has barely budged since hitting a recession high last summer.  
(Continued on page 21)

## Financing Inventories To Become Tougher

### Public Buyers Meet at Boston

Boston—Delegates to the annual conference of the National Institute of Governmental Purchasing took firm stands on vital problems currently facing public buyers.

Number one on the list of resolutions adopted last week concerned the new auto industry policy which eliminated direct factory sales and dealer subsidies to state, county, and municipal purchasers (P. W., Oct. 6, p. 1).

This subject came up frequently during the four-day meeting, Oct. 5-8, with many governmental P.A.'s admitting they are now taking a more serious look at foreign and smaller domestic cars. The resolution read in part:

"The executive vice president of the institute is instructed to communicate directly with the  
(Continued on page 22)

### Dr. Lewis Gives Purchasing Views

Boston—The future of the purchasing function lies in five major areas, according to a leading purchasing educator.

Speaking last week before the National Institute of Governmental Purchasing convention, Dr. Howard C. Lewis said details of the supply function are likely to develop within the following pattern:

- A single managerial unit to plan, control, direct, and coordinate material needs from purchase through production.
- Closer coordination of the supply function itself with the over-all company operations. This means less departmentalization and more integration.
- Substantial revision of methods dealing with stock, inventory, and order placing activities.
- Much wider use of mathematical and statistical techniques  
(Continued on page 22)

### Western Tool Show Features On-Floor Sales

Los Angeles—Impressive, on-the-floor, sales were the high-point of the recent Western Tool show.

This year's show was the first of a series of biennial tool shows to be held on the West Coast. More than 250 exhibitors took part, displaying \$5-million worth of machine tools and associated products.

Largest individual sale was a whopping \$500,000 plus order  
(Continued on page 22)

Washington—The cost of borrowing money is going up. Eventually it will get tougher to obtain financing for inventory growth although bankers appear to have plenty of money for that type of borrowing now.

This is the credit outlook from a purchasing point of view over the next six months as seen by government officials specializing in finance. It stems from a drive by the Federal Reserve and Administration to halt inflation by tightening credit.

Reports from bankers around the country indicate general agreeability toward short term loans, but a growing reluctance for long term, capital goods type of borrowing already's developing but not in all areas. So far inventory build-up has not been hampered by lack of credit. Government officials believe this will come when business loans begin to show a broad sustained rise and bankers have to take care of customers out of a limited capacity to lend.

Interest rates already are heading rapidly toward the high levels reached during the tight money period of 1957 when the Federal Reserve also was fighting inflation. But the main impact on inventory purchasing programs, Washington analysts believe, will not be soaring interest costs alone.

The real problem for many firms eventually will be getting  
(Continued on page 22)

## Non Ferrous Tags Continue Firming

New York — Non ferrous metals continue firming on a broad front. Copper, lead, and zinc all recorded 1/2¢ a lb. price boosts last week. Aluminum producers are also more bullish, announcing increases in production.

Upward trend has been consistent. Thus, the price increase for lead was the third in about nine days. Copper and zinc tags have been raised twice in the same period.

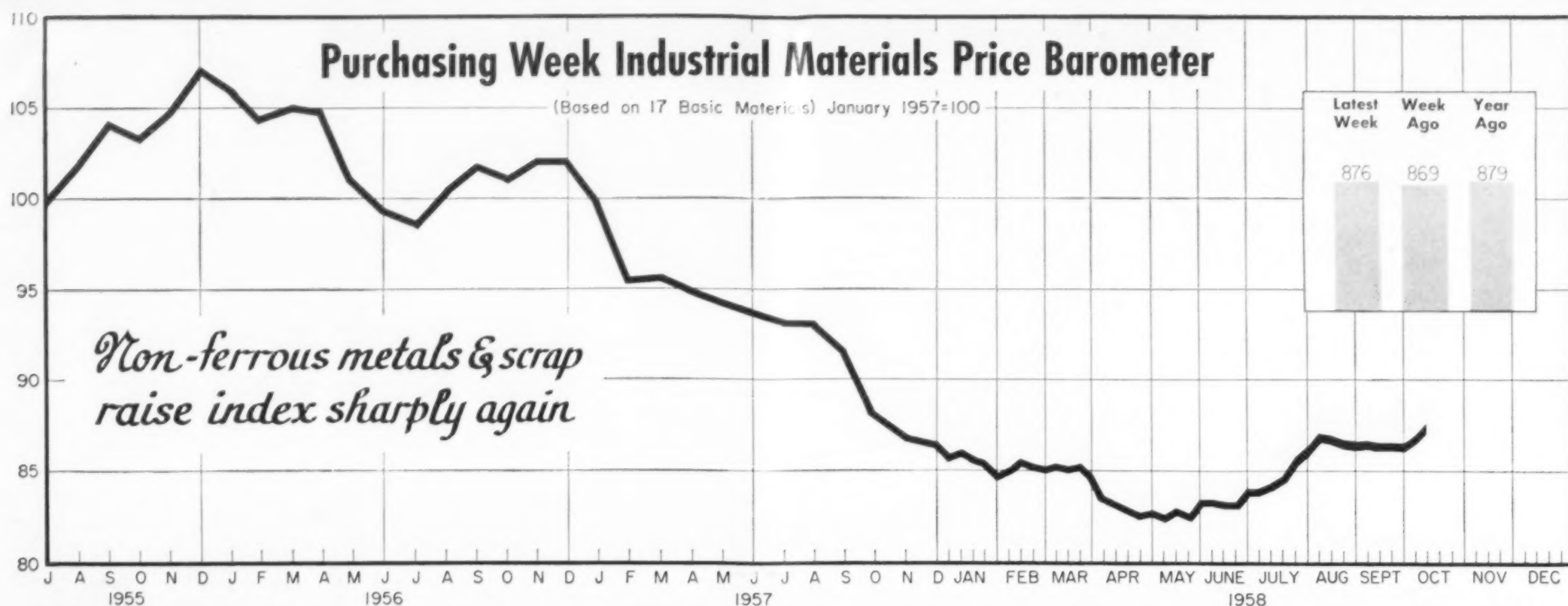
A tightening world supply as well as better market demand is behind the copper rise. Strikes in U. S., Canada, and Northern Rhodesia, plus a scarcity of scrap offerings to smelters, have all helped create a tighter supply.

New price for custom smelter copper (27 1/2¢ a lb.) also reflects improvement in world tags.

Rising overseas prices have turned foreign copper away from U. S.—and is in fact making it more profitable for domestic producers to ship overseas than to sell it here.

Lead and zinc rise reflects  
(Continued on page 22)





This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

## Price Perspective

OCTOBER 13-19

Wage costs will continue as a major factor in near-term price trends.

Though recent labor settlements have been relatively moderate, wages are still the critical cost element in most prices.

The one consolation is that the labor cost increases will be somewhat lower than those recorded in previous years.

Here's how the experts add up the cost of the U.A.W. auto pacts, usually accurate barometers of what other unions will get:

Total "package" costs will come to about 15¢ an hour. And this includes cost-of-living adjustments as well as increases in basic wage rates, unemployment benefits, pension improvements, etc.

This new cost figure is well below the 20¢ per hour gain racked up by the U.A.W. in 1955.

• • •

For most firms new union pay pattern means continued labor cost pressure, though not nearly as great as experienced in the past few years.

It fits in with the current price trend of "steady to firming" tags. In other words, labor costs will be a firming rather than a strongly inflationary influence on near-term price movements.

The new auto price structure would certainly bear this out. Boosts where they occur, are smaller and more cautious than many had expected.

Based on the latest price information, it seems that all major auto companies will be raising tags, but only by a few percentage points.

It's hard to pinpoint exactly how much because changes in models make direct comparisons hazardous.

• • •

Moreover, it's hard to assess the true price because of the widespread discounts that are prevalent in the automobile field. List prices are very seldom the accurate gauge of what the real "going" price is.

And the discounts that are granted, are always varying—sometimes more—sometimes less, depending on how overall sales are going.

Thus we may have to wait until early next year to get a true picture of the actual auto price trend.

But based on original list prices, sales estimates made by the "big three", and the generally improving business outlook—all these indicate demand (and hence price) will hold up better than last year.

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As noted, this current price firmness in autos and other lines can hardly be described as a serious inflationary threat. Nevertheless, it's attracting the eagle eyes of the money managers sitting on the Federal Reserve Board.

These men charged with regulating the money and credit supply are extremely sensitive to any kind of inflation.

The Board has already stepped hard on the credit brakes, perhaps harder than it has ever done before so early in a recovery period.

The recent boosting of the rediscount rate from 1¾% to 2% has made business borrowing more expensive. Another boost may be in the cards before mid winter (see page 1).

Timing will depend on how fast both business activity and prices rise in the next few months. Goal is to keep rise as gradual and orderly as possible—without actually nipping the business recovery in the bud.

This alertness on the part of the F.R.B. is still another reason why PW economists see no inflationary surge for the next half year or so.

## This Week's Commodity Prices

	Oct. 8	Oct. 1	Year Ago	% Yrly Chg.
<b>METALS</b>				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.2
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	43.50	43.50	42.50	+ 2.4
Steel scrap, #1 heavy, del. Cleve., gross ton	40.00	40.00	38.50	+ 3.9
Steel scrap, #1 heavy, del. Chicago, gross ton	45.50	45.50	43.00	+ 5.8
Aluminum, pig, lb	.247	.247	.26	- 5.0
Secondary aluminum, #380 lb	.218	.218	.219	- .5
Copper, electrolytic, wire bars, refinery, lb	.261	.261	.263	- .8
Copper scrap, #2, smelters price, lb	.22	.213	.20	+10.0
Lead, common, N.Y., lb	.123	.115	.14	-12.2
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.85	-13.0
Tin, Straits N.Y. lb	.965	.953	.924	+ 4.4
Zinc Prime West, East St. Louis, lb	.108	.10	.10	+ 8.0
<b>FUELS</b>				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.55	-21.6
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.29	2.95	-19.7
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.50	2.85	-24.6
LP-Gas, Propane, Okla. tank cars, gal	.05	.05	.04	+25.0
Gasoline, 91 oct. reg. Chicago, tank car, gal	.115	.115	.133	-13.5
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.113	.11	.126	-10.3
Coal, bituminous, slack, ton	5.75	5.75	6.05	-5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0
<b>CHEMICALS</b>				
Ammonia, anhydros, refrigeration, tanks, ton	36.50	32.50	36.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut oil, inedible, crude, tanks, N.Y. lb	.158	.155	.138	+14.5
Glycerine, synthetic, tanks, lb	.278	.278	.28	- .7
Linseed oil, raw, in drums, carlots, lb	.167	.167	.186	-10.2
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	.35	- 7.2
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.70	9.50	9.00	+ 7.8
Shellac, T.N., N.Y. lb	.31	.31	.34	- 8.8
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.08	.089	.087	- 8.1
Titanium dioxide, anatase, reg. carlots lb	.255	.255	.255	0
<b>PAPER</b>				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.70	+ 1.8
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.00	9.00	9.25	- 2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.30	+ 1.6
Old corrugated boxes, dealers, Chicago, ton	25.26	25.26	17.00	+48.6
<b>BUILDING MATERIALS</b>				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.14	4.14	4.42	- 6.3
Glass, window, single B. 40" Bracket, box	7.00	7.00	7.09	- 1.3
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	129.00	129.00	114.00	+13.2
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	129.00	131.00	115.00	+12.2
<b>TEXTILES</b>				
Burlap, 10 oz. 40", 100 yd	10.50	10.55	10.90	- 3.7
Cotton, middling, 1", N.Y., lb	.362	.361	.35	+ 3.4
Printcloth, 39", 80x80, N.Y., spot, yd	.176	.176	.176	0
Rayon, satin, acetate, N.Y., yd	.268	.268	.305	-12.1
Wool tops, N.Y. lb	1.44	1.495	1.645	-12.5
<b>HIDES AND RUBBER</b>				
Hides, cow, light native, packers, lb	.155	.15	.14	+10.7
Rubber, #1 std ribbed smoked sheets, lb	.306	.303	.298	+ 2.7



# Coal Tag Rise to Hit 25¢ a Ton; Bituminous Then Anthracite to Rise

United Mine Workers Wage Increase Cited  
As Cause; Operational Costs Also Go Up

(Continued from page 1)  
is the result of a number of factors:

- Demand from steelmakers, who normally consume over 20% of total U. S. coal production, has been way down so far this year. It takes about a ton of coal to make a ton of steel.

- General industrial production cutbacks in the first half of the year reduced industry's demand for electric power, coal's biggest user.

- Foreign demand for U. S. coal has been particularly hard hit in 1958. Total shipments are running more than 30% behind 1957, sparked by a lull in Canadian and Mexican demand which has dipped 50% below last year.

The downturn in overseas shipments stems directly from industrial cutbacks in both Western Europe and Canada. Further pressure on Western Europe's demand for U. S. coal comes primarily from heavy French and West German stocks. These are the results of overordering during the Suez crisis. Other causes: Certain production boosts, as well as warm weather which has cut European industrial heating demand.

The European situation is unlikely to improve for at least another year. But the long-run outlook is still bright as West European production increases must rely on metallurgical grades of coal which only the U. S. can supply in needed quantities.

Even with total U. S. production expected to jump better than 5% over 1958 next year, 1959 output will still trail 1957 by some 50 million short tons. Why then the expected price increase?

The answer rests mostly on the shoulders of the United Mine Workers Union. The union will probably get a \$2 daily split wage increase—\$1.20 now and 80¢ in the spring. This labor cost boost, plus certain other cost increases, will probably be passed along to buyers at the rate of 25¢ a short ton.

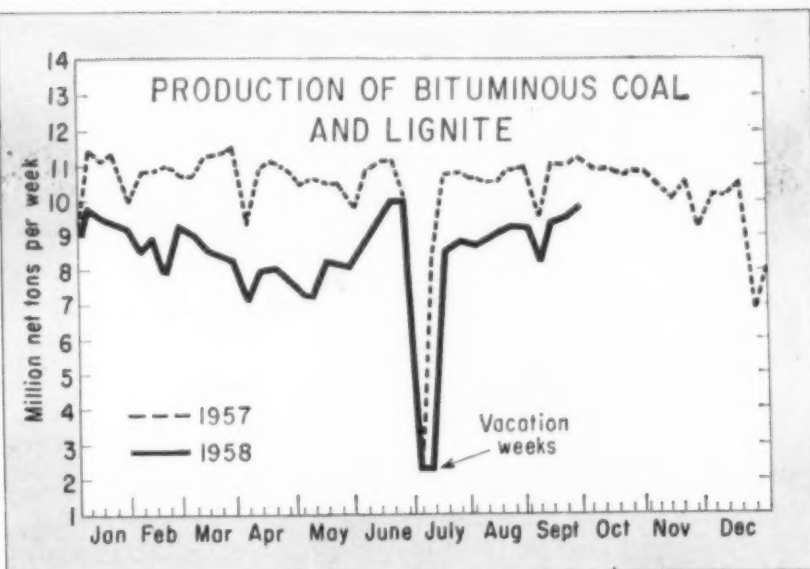
Further pressure on tags comes

from a recent government ruling raising minimum wages paid to miners under the Fair Labor Standards Act. This ruling applies to all producers selling to the federal government.

Coal users on the Eastern seaboard have seen increasing amounts of residual fuel oil imports sharpen Tidewater intra-

fuel competition. This is especially true in the case of electric power plants here on the Atlantic coast. In the Southwest and Northwest, natural gas has been battling coal for many industrial markets. So buyers in these areas should be particularly watchful of the price situation.

The market for anthracite, on the other hand, has held up quite well. U. S. output in 1958 should match last year's total of 25 million short tons. Tags are likely to be boosted following a hike in bituminous quotations. But the winter weather situation should be closely watched for a key to price and demand patterns for early 1959.



## Government Surveying Economic Professors

Washington — Congress expects to get a pretty good idea of just what economics professors think about the country's economic policy from a survey now underway.

The Subcommittee on Economic Stabilization of the Joint Economic Committee is sending a questionnaire to heads of economics departments of 150 universities throughout the country for further distribution to their respective faculties. Some 1,500 economists are expected to receive it.

Opinion will be sought on such questions as whether it is feasible or not to achieve simultaneously both relatively high employment and relatively high stability of the general price level, on a long or short run basis, and on the government's policies on taxes, tight money, expenditure limitations, etc. with regard to checking inflation.

## IDEAS...on making the most of wire cloth!

• Unless you're in the business up to your ears, you'd hardly be aware of the infinite variations that can be offered today in industrial wire cloth. Not only variations in the wire, metal, weave and mesh, but also in finishes, coatings, roll lengths, widths and packaging. And the Reynolds Wire Division of National-Standard has carried this flexibility to a high point in the industry.

So, you can see that it is mighty important for users or fabricators to probe today's possibilities carefully, and to be sure they are getting the wire cloth that produces

best, performs best, minimizes waste, and costs the least for their particular production.

And that is exactly why Reynolds Wire Division goes all out in furnishing technical and analytical service—service that benefits customer after customer, small or large. This exceptional service is available coast to coast . . . wherever you are.

Are you open to some ideas on making the most of wire cloth? Do you have any particular production problems in the use of wire cloth? Let's discuss your requirements.

# NATIONAL STANDARD



DIVISIONS: NATIONAL-STANDARD, Niles, Mich.; tire wire, stainless, music spring and plated wires

WORCESTER WIRE WORKS, Worcester, Mass.; music spring, stainless and plated wires, high and low carbon specialties • REYNOLDS WIRE, Dixon, Ill.; industrial wire cloth

WAGNER LITHO MACHINERY, Secaucus, N. J.; metal decorating equipment • ATHENA STEEL, Clifton, N. J.; flat, high carbon spring steels



# Washington Perspective

OCT. 13-19

An old idea with a fresh twist is drawing Washington's attention as a new means to tame inflation.

The new approach would allow the government to enforce wage-price stability without the imposition of direct controls frowned upon by the Administration and members of both parties in Congress.

The plan is being advanced by Sen. Wallace Bennett of Utah, a Republican whose thinking on economic lines often follows closely that of the Administration.

Wallace's idea would call for a one-year price-wage freeze whenever inflation threatened to break loose. The plan would be tied to the government's Consumer Price Index. It would automatically go into effect whenever the Index average for one year rose above that of the previous year.

Wallace is still working on the details of his plan and hopes to have it ready when Congress meets again in January. He says his program stops short of the more rigid direct controls on wages and prices and would provide the least amount of government supervision that would still be able to work effectively.

Wallace is the latest of conservative Republicans to call for greater federal activity holding down prices. He says it should be a fixed public policy to create wage-price stability at every level of production and distribution.

Some government experts believe Wallace's proposal will become a big issue when Congress convenes and is faced with the dilemma of trying to halt inflation and at the same time effect policies to cut down on unemployment.

Many of the smaller firms you deal with will be in a much better position to secure loans and capital to expand and improve their products under a new federal program.

The program won't get started until next year, but it has already created a wave of enthusiasm and is expected to pour billions into the financing of small manufacturers, suppliers, wholesalers and other businesses.

Here is how the program will operate. Private small business investment companies will be set up to make capital available to small firms. The investment companies will operate under regulations set by the Small Business Administration in Washington, but otherwise will not be restricted in making funds available.

Congress set up a \$250 million revolving fund to be used for this purpose, but the bulk of the money will be put up by private investors.

The investment companies can supply smaller businesses with capital in two ways—either by loans or by purchase of debentures. Loans will be available for 10 years with an additional 10 years allowed for paying them off where necessary.

The new program will create a whole new financial system to channel the funds to small business.

Little businesses have had difficulty securing capital from traditional financial institutions, and this has proved one of their greatest drawbacks to expanding further. They now will be able to turn to small business investment companies set up specifically for their needs.

The program is attracting a lot of big money investors because of a number of tax advantages attached to it. But banks, big corporations, insurance companies and other groups also have shown keen interest.

## Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,918	1,901*	2,105
Autos, units	38,815	42,599*	21,975
Trucks, units	13,542	14,314*	11,678
Crude runs, thous bbl, daily aver	7,507	7,639	7,779
Distillate fuel oil, thous bbl	12,276	12,475	12,305
Residual fuel oil, thous bbl	6,709	7,034	7,659
Gasoline, thous bbl	26,463	27,758	27,793
Petroleum refineries operating rate, %	81.3	82.7	86.4
Container board, thous tons	161,062	158,965	157,300
Boxboard, thous tons	147,883	149,490	141,303
Paper operating rate, %	92.6	91.9*	91.9
Lumber, thous of board ft	262,129	259,331	235,753
Bituminous coal, daily aver thous tons	1,483	1,404	1,700
Electric power, million kilowatt hours	12,111	12,342	11,564
Eng const awards, mil \$ Eng News-Rec	353.1	495.7	323.7

\* Revised

## International Pacts Can Help Stabilization Of Raw Material Prices Throughout World

Commonwealth Trade Conference, Sino-Soviet Cooperation May Cause Wide Scale Repercussions; Present Conditions Hurting Some Nations

Montreal—If suggestions like international stockpiling, expanded commodity pacts, and Sino-Soviet cooperation can be implemented, look for a firming effect on world raw material tags.

These suggestions made here at the Commonwealth Trade and Economic Conference. They can have wide international price repercussions. Basic commodity prices got a good share of the meeting's spotlight—with the generally agreed goal of stabilizing pricing.

### Free World Trade Represented

These and other problems were discussed by 300 delegates, representing 660 million people in 11 countries and 7 colonial territories over the past two weeks. Most delegations were headed by the finance minister.

These countries account for 25% of free world trade (see chart above). With this tremendous stake in world trade, it's not hard to see why the action of the Commonwealth nations has such a great effect on international commodity markets.

Leadership was centered in United Kingdom and Canada. And one look at the chart will tell you why. These two countries alone account for over 50% of Commonwealth trade.

### Last Conference in 1932

This was a very different conference from the last one of its kind in Ottawa in 1932. Nobody was proposing any new Commonwealth trade preferences. Right from the opening day, it was plain that the interest of the Commonwealth's friends were being considered too. In this vein, Britain's Chancellor of the Exchequer, Heathcoat Amory, referred "specifically to your great neighbor, the United States, whose economic policies are of such vital importance to us all."

Trade with dollar area countries came up early in the conference.

Canada bluntly suggested to the United Kingdom that it was high time it dropped restrictions on converting sterling into other currencies and stopped discriminating against Canadian goods flowing into the sterling area.

Britain's prompt answer is good news for both Canadian and U.S. exporters. In July the United Kingdom removed completely import controls on chemicals. Now, at the conference, Board of Trade President Sir David Eccles announced immediate removal of U.K. controls on dollar imports of industrial, agricultural and office machinery, canned salmon, and newsprint.

### World Prices Discussed

The world commodity price situation came in for a good deal of discussion. Normal fluctuations in basic commodity prices have been further pressured by Red Chinese and Russian commodity activities.

Australia suggested that the Western countries should ask the Soviet bloc to negotiate a system of price stability on major commodities now being hit by violent fluctuation. Malaya has been hurt by Russian tin, India and Pakis-

tan by Chinese textiles, and Canada by Russian aluminum. Australia thought it might be advisable to invite the Sino-Soviet trading bloc to come in on more commodity agreements.

### Lead, Zinc, and Tin Clarified

On lead and zinc the conference decision stated: "We are agreed that an international study group should be established without delay to consider what international measures would be desirable and practicable to deal with the situation in the international trade in lead and zinc which has been made more serious by developments since our meeting began."

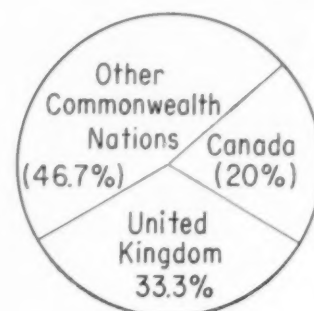
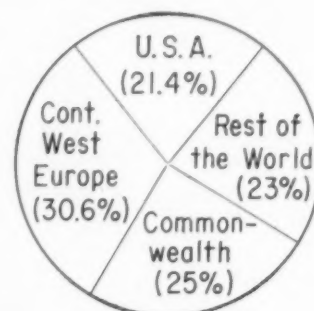
And on tin the Conference said: "Commonwealth governments are deeply concerned that the International Tin Agreement should survive and succeed and will be prepared to consult together, as necessary, about any appropriate measures to strengthen it."

Another suggestion has been for an international stockpiling system. It would buy commodities in times of surplus and release them in periods of shortage, thus helping to stabilize world commodity tags.

### How The Commonwealth Fares in Free World Trade

Free World Trade

Within the Commonwealth



## Price Changes

**Benzol**—Shipments of Russian benzol have caused imported benzol to decline 6¢ a gal. to 26¢ a gal.

**Lead Oxide**—Increased lead prices caused lead oxide tags to rise by another ½¢ a lb. last week. Red lead is now quoted at 14¼¢ a lb., litharge at 13¾¢ a lb. and orange mineral at 16.6¢ a lb.

**Zinc Dust**—The boost in zinc prices has caused zinc dust to go up ¼¢ a lb. to 14¢ a lb.

**Fir Lumber**—Bellwether grade 2 x 4 green fir lumber tags dropped to about \$63 a thous. bd. ft. in carload lots at Western Oregon and Washington mills. This represents a \$2 drop in the past week, an \$8 drop in the past month.

**Portable Typewriters**—Royal McBee Corp. has reduced its portable typewriters price to \$131.50 from \$139.50. The federal tax cut on portable typewriters is reported responsible.

**Crude Oil**—Certain major petroleum corporations have reduced the price they will pay for Oklahoma sweet crude oil by up to 14¢ a lb. The new posted price for 40 gravity oil is \$3.01 a lb. Increases in gravity price differential below 30 gravity oil, from 2¢ a gravity degree to 3¢ a gravity degree have also been announced.

**Silver**—Silver tags were boosted ½¢ a lb. in the wake of increased buying in preparation for the Christmas season.

**Creosote**—Both coal tar and wood derived creosote have been raised in price. New tags are \$1.42 a lb. on NF hard wood grade and \$1.72 a lb. on beechwood grade wood creosote, up 12¢ a lb. Coal tar creosote is

up 4¢ a gal. to 24¢ a gal.

**Industrial Retaining Rings**—Tag reductions of up to 42% on external, internal, and open-type retaining rings have been announced by the Industrial Retaining Ring Co.

**Polyvinyl Alcohol**—Prices of vinyl CWS (exp. L-19), cold water soluble polyvinyl alcohol, have been reduced by Colton Chemical Co. Price reductions are from 15% to 25%, depending on the quantities ordered.

**Copper**—Custom smelters boosted copper tags by ½¢ a lb. again last week, putting tags at 27½¢ a lb.

**Lead**—Lead tags went up ½¢ a lb. last week to 12½¢ a lb., their highest level in over six months.

**Zinc**—Prices of zinc were boosted by ½¢ a lb. for the second week in a row. It puts zinc tags at 11¢ a lb.





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Approximate number of employees \_\_\_\_\_



# Louisville P.A.'s Don't Like Way Steel Companies Price Products

Most of Those Polled by Business Survey Committee Oppose Price-in-Effect-at-Time-of-Shipment Policy

Louisville, Ky.—Louisville purchasing agents spoke up in no uncertain terms when they were asked "Does the policy of price-in-effect-at-time-of-shipment (as practiced by the metals industries, particularly steel) work a hardship on you as a purchasing agent?"

Sixty per cent of those polled by the Business Survey Committee of the Louisville Purchasing Agents Association answered "no" because they don't buy metals but qualified their reply to indicate they opposed the practice in principle. Many of the 40% who said "yes" embellished their responses with strongly worded criticism of steel pricing practices.

"It's unfair no matter how you slice it," one anonymous reply stated. "If a fabricator bids on a job today at today's steel price and finds when half finished this steel has gone up, he loses his shirt. So the next time he pads his bid, and we buyers pay an inflated price."

Another P.A. said: "Price at the time of shipment works a hardship on companies that cannot sell their own products on the same basis—and that includes most of them."

## P.A.'s Base Costs on Prices Now

A purchasing agent whose company manufactures seasonable items declared: "Stocks must be built up for this demand and are sold at firm prices before shipment and production. Our costs are based on present prices. Since we can't buy metals except on price in effect at time of shipment, our costs can increase; but our selling price can't."

A purchasing agent who described the policies as "arbitrary, unfair, and unrealistic" cited a specific example involving a large requirement of pipe which could not be released for shipment until engineering and geological reports were available. He complained that mills refused to give any price protection, refused payment in advance, refused the sale of skelp, and refused to guarantee the published price on pipe completely manufactured and in their stocks. He said the mills advanced the manufacturing schedule one week to permit shipment before the expected increase but raised the price the day the shipment started.

The one purchasing agent who wrote in defense of the policy declared:

"Prices in this industry are

## Bigler Praises Area At Birmingham Session

Birmingham, Ala.—Members of the Purchasing Agents Association of Alabama heard Hugh Bigler, president of the Southern Electric Steel Co., give Birmingham a big boost at its Sept. 11 meeting.

Bigler, executive vice president of the Birmingham Chamber of Commerce, emphasized in his speech "Best Buy Birmingham," the tremendous amount of natural resources available in this area for industrial development.

patterned largely from the wages for labor. Therefore, fluctuation in prices generally speaking results from changes in the cost of labor. Since labor and management work under contracts ranging in length from one to three years, it generally is well known if there is likely to be any change in the cost of goods sold."

N.A.P.A. PRESIDENT GORDON B. AFFLECK chats with members of the Louisville Purchasing Agents Association. Thor Laugesen, left, Cochran Foil Corp., vice chairman, N.A.P.A. education committee; T. A. Corcoran, Courier-Journal & Louisville Times, chairman of the N.A.P.A. paper committee; Clarence Schardein (back to camera), F. S. Schardein & Sons, former P.A.A.L. president; Charles F. Renschler, Julius Kessler Distilling Co., national director; and President Affleck.



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## N.Y. Group Studies Management's Desires

**New York**—The question of what management expects of purchasing prompted a lively question and answer period at the Purchasing Agents Association of New York pre-meeting forum Sept. 16.

J. Collins Coffee, management consultant for Management Development Associates, and Simpson E. Spencer, director of purchases, General Foods Corp., conducted the forum.

One of the greatest difficulties for the purchasing department is to get its own ideas across to management, said Coffee.

Telling of one firm at which departments were given attitude tests, Coffee said individuals tended to have similar attitudes, but the attitudes of each department differed. This, he stated, tended to cause a problem in communication between departments.

Coffee's conclusion was that purchasing men should try to put their ideas into the other fellow's language.

In outlining what purchasing owes to management, Spencer felt it was essential that the P.A. make management aware of his contribution to profit.

He listed eight essentials for P.A.'s: integrity, imagination, intelligence, enthusiasm, loyalty, cooperation, personality, and willingness to work.

At the dinner meeting following the forum, Ross Angier, director of distribution sales and engineering, American Airlines, gave the P.A.'s a peek into the

future effect of jet transportation on the nation's industrial economy.

He said it may be worthwhile for a P.A. to investigate jet transportation. For the few pennies more it may cost him, his savings in reduced inventory may well pay him dividends, Angier said.

### Reserve Booths Now

**St. Louis**—The St. Louis Purchasing Agents Association has scheduled its biannual St. Louis Products Display for Feb. 12-13. Reservations for booths for exhibitors are now being taken by B. O. Belknap, Titanium Division, National Lead Co.

## 6th District Holds 2-Day Workshop at Mansfield, Ohio

**Mansfield, Ohio**—More than 75 delegates, key men from N.A.P.A. District 6, held a two-day get-acquainted workshop on education, public relations, and value analysis-standardization in September.

College courses on purchasing and textbooks more closely tailored to the needs of P.A.'s were considered the greatest needs in the profession by the education group.

Higher professional standards and an educational campaign among leaders of opinion and

among the P.A.'s themselves, designed to familiarize them with the purchaser's role in keeping the free-enterprise system working, were also recommended.

The need for standardization of purchases was reaffirmed by the delegates who stressed the need for value analysis in various sections of the conference workshop program.

Presiding over the various committees were R. S. Rice, Whirlpool Corp., Clyde, Ohio, value analysis-standardization; George H. Porter III, Geo. H.

Porter Steel Treating Co., Cleveland, public relations; and Robert Wiskochil, Owens-Illinois Technical Center, Toledo, education.

Dr. John Hoagland, Michigan State University commerce professor and purchasing analyst who spoke briefly with the different conference sections, was guest of honor and adviser on educational projects.

Ted R. Thompson, purchasing agent for Air Products-Allison Division, General Motors Corp., Dayton, and N.A.P.A. 6th district vice president, was in charge.

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## U.S. Machine Tag Too High: India

New Delhi—Indian industry is complaining that prices asked by U. S. manufacturers for machinery and other heavy equipment are far too high for their budgets.

So far no private Indian industry, which is equipment starved, has made use of a \$32 million allotment made by the New Delhi government from a \$150 million loan offered the nation recently by the Export-Import Bank. Industrialists claim the main factor is the substantially higher prices quoted by U. S. manufacturers as against their British and other European counterparts.

Indian electrical manufacturers report quotations so far received from the United States are as much as 80-85% higher than European offers for electrical plant and equipment. In one case, a U. S. manufacturer refused to make any quotation at all because of the price disparity.

Thus the government of India is faced with an embarrassing paradox of getting a poor response from private industry to specific offers of aid.

Because all of the \$150 million Export-Import Bank offer must be utilized to purchase U. S. equipment only, New Delhi does not know what to do to prevent the almost inevitable waste of precious foreign exchange.

### Fiat Keeps Track Of Parts in New Way

Turin, Italy—Fiat's recently built Ricambi installation here has many innovations to keep track of some 70,000 different parts. Maximum space usage employing vertical bins served by novel elevators that move horizontally as well as vertically, enable the facilities to house spare parts under one roof eliminating splitting orders and assembling them from several sources.

Handling time for any order of spare parts is 24 hr. from receipt of order to shipping. Foreign orders take 36 hr. including preparing papers for customs clearance.

The air conditioned warehouse has overhead conveyors, floor trucks operated by chains in slotted rails, fork trucks handling pallets, new devices for parallel loading of trucks on incoming and outgoing platforms, and business machines for inventory records.

### Correspondence Course Graduates 129 Pupils

Toronto—One hundred and twenty-nine students were in the first graduating class of the two-year correspondence course in purchasing conducted by the Canadian Association of Purchasing Agents and the University of Toronto.

The two-year course covers such subjects as economics, commercial law, departmental function and procedure, accounting, and company policy.

Chairman Russell Speers, United Steel Corp. Ltd., Toronto, reported some 430 students were enrolled in the first and second terms this year compared with 362 last year.

This Week's

## Foreign Perspective

OCT. 13-19

London—Britishers have been paying more for their commodities in recent weeks.

One factor undoubtedly has been the growing conviction that stateside recovery is here to stay. In the metals field, aluminum, lead, zinc, and even tin, started October with price hikes. Copper went to its highest level in fifteen months.

Chief talking point so far this month, however, has been Whitehall's decision to shelve Aluminum Company of Canada Ltd's application for an anti-dumping duty aimed at checking Russia.

This decision followed a Soviet promise that it will limit aluminum shipments to Britain over the coming year.

It's reckoned that the Russian promise amounts to some sort of protection against further imports.

It could mean firmer prices in the longer run.

Bonn—West German economic experts are still optimistic about future business growth.

The Economic Ministry predicts that the German gross national product, which increased (in constant prices) by 5% in 1957, will increase by 3-3½% this year and by 3-4% in 1959.

A slight revival of business is expected for the end of this year so that the 1959 expansion rate will probably exceed the 1958 national product growth.

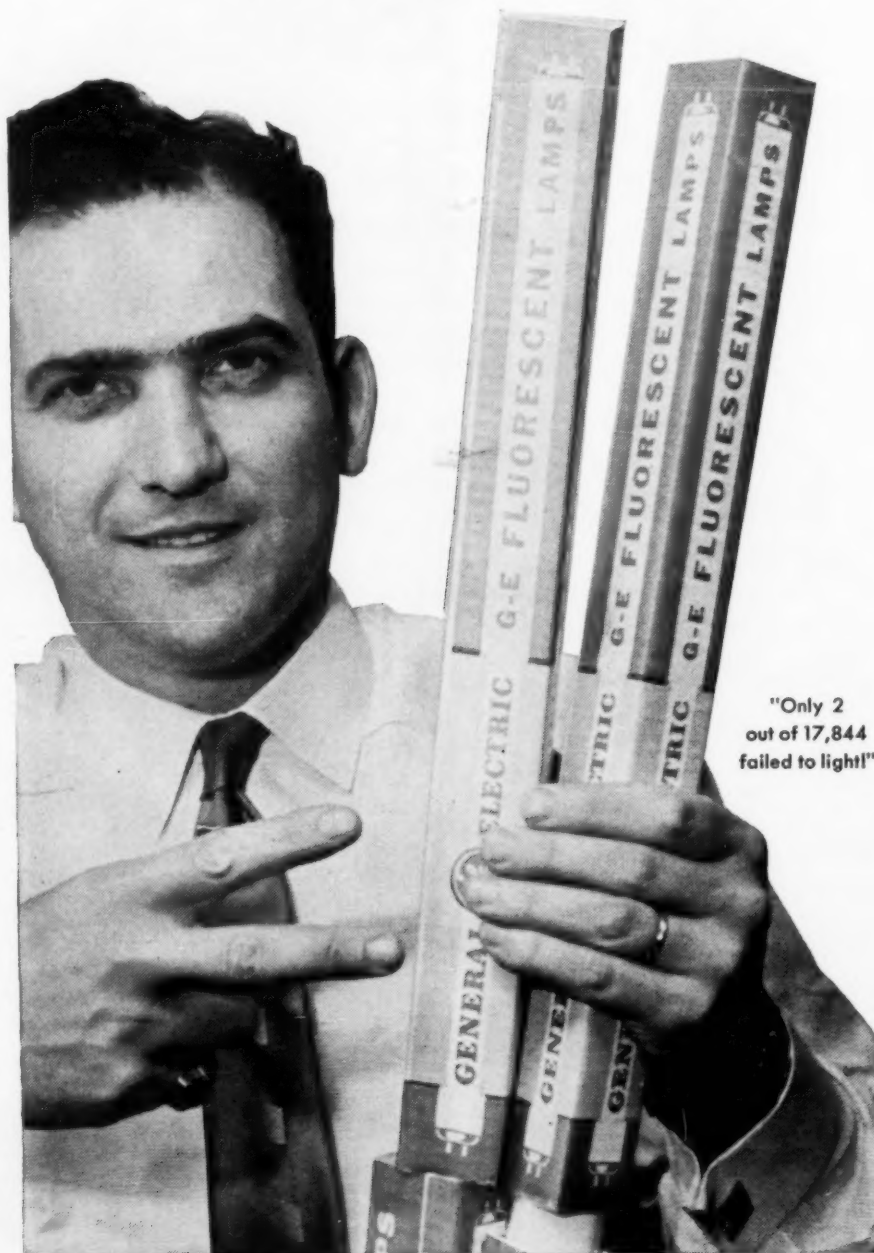
Due to full employment in Germany, the growth will be achieved almost entirely by productivity increases. Overall production per working hour increased by 5% in 1957, industrial production per working hour by 7½%.

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on cost**

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"Only 2  
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failed to light!"

"General Electric says one out of a thousand G-E Lamps may not light", comments Mr. Hack Lazerson (at left) of Solar Light Manufacturing Company in Los Angeles. "How come they're so modest?"

"We provided 17,844 General Electric Lamps for the new Union Oil Company building. They were delivered to us; we installed them in our fixtures and then trucked them to the job. In routine assembly and testing, only two of the lamps which were installed failed to light.

"We've known all along, too, that G-E Lamps are practically maintenance free. Because, on the average, 99 out of 100 will still be burning after almost 2-years' use!"

If you buy fluorescent lamps, such reliability is measurable in extra value, extra savings. So, you'll spend less on lighting if you pay less attention to the purchase price of the lamps, which is only 10% of your total cost of lighting anyhow, and more to lamp performance. You'll spend fewer man-hours in installing, testing, removing, storing and returning the faulty lamps.

Buy your lighting on cost—but remember, cost includes everything which affects your cost of light. And G-E Lamps are your best lighting value.

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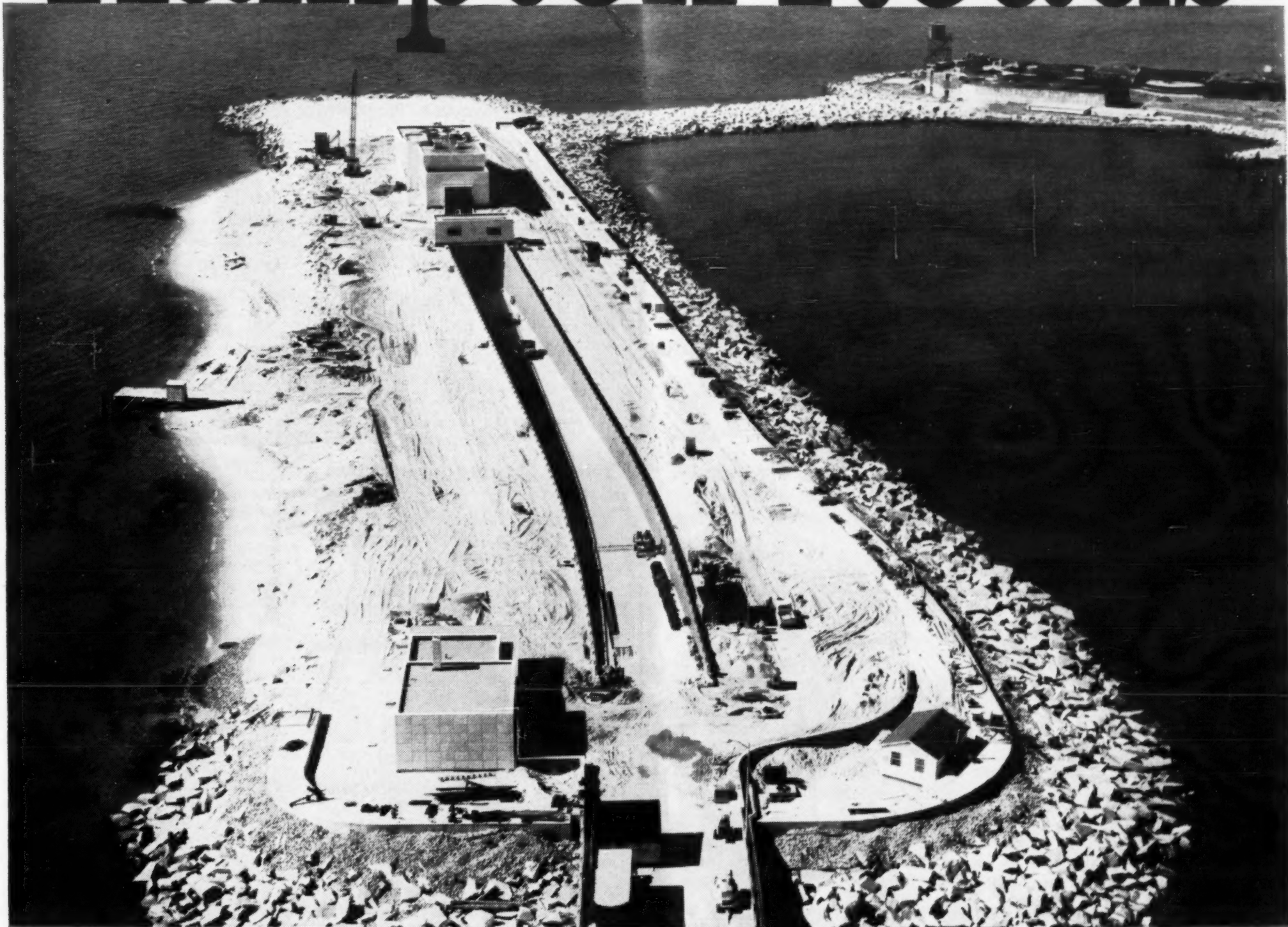
Both tunnel entrances are built on man-made islands connected by bridges to shore. Unusual construction method saved cost, sped completion.

General Contractors: Tidewater Construction Corp.  
Merritt-Chapman & Scott

Electrical Contractor: E. C. Ernst, Inc.

Architects and Engineers: Parsons, Brinkerhoff, Hall & Macdonald

# Hampton Roads



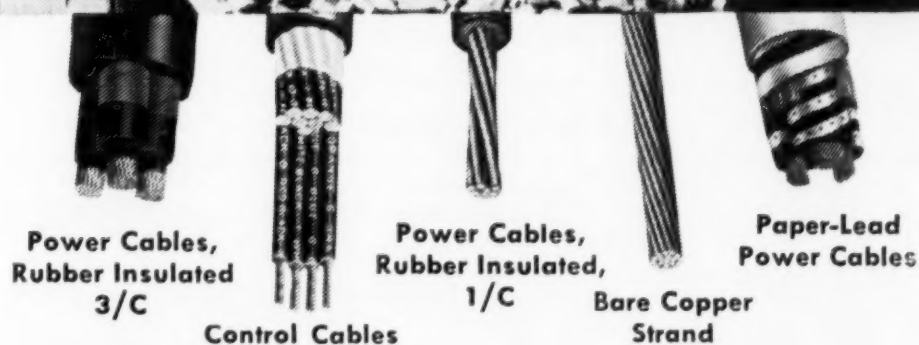
## ROEBLING ELECTRICAL CABLE! CHOICE FOR THE WORLD'S MOST MODERN EXPRESSWAY PROJECT!



The Hampton Roads Project is a four-mile expressway that carries traffic under and over one of America's busiest maritime channels. It includes a 7,480-foot tunnel.

This important Commonwealth of Virginia Department of Highways project, which cuts over twenty miles from the trip between Norfolk and Newport News, Va., incorporates the most modern concepts and materials in its design. For instance, the tunnel ceiling is porcelainized aluminum. And the wiring for the tunnel, ventilating buildings, the bridges and approaches—that's Roebling Cable!

Five types of Roebling Cable—15kv paper and lead, 600v and 15,000v RR cable, Roeprene® Con-



trol Cable, and bare copper strand—were provided for the installation. Lighting, ventilating and other functions all receive their power through, and are controlled by, Roebling Cable.

Experienced project and construction designers and engineers know the long-life dependability that is built into Roebling Cables. They know, too, that there's a Roebling Cable for every electrical and telephone application. See your nearby distributor or write Electrical Wire Division, John A. Roebling's Sons Corporation, Trenton 2, New Jersey.

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# Purchasing Week

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McGraw-Hill's National Newspaper of Purchasing

Print Order This Issue 26,672

## The Receptionist Represents You

First impressions can be very important. It is for this very reason that many purchasing departments have now equipped their waiting rooms with plus-convenience for visitors.

It is not at all unusual these days to find interesting reading matter in a reception room. In many there are booklets describing the host company's operations. In some there are telephone facilities available to "guests," there are matches, there are ash trays, the list could go on and on.

All of these physical assets can be checked for their availability to your visitors. You can determine with little difficulty whether they are in good working order, but, even so, it is still a good idea for you, Mr. Purchasing Agent, to go around every once in a while to your front door and look at your operation through the eyes of a visitor.

No matter how plush your waiting room, no matter how thoroughly it is outfitted, the attitude of your receptionist is the thing that will stick in the mind of your visitors. If she is pleasant and helpful, visitors become boosters for you and your company.

If, on the other hand, she seeks to establish herself as a palace guard, determined to keep visitors from seeing you, then that first impression is anything but good. Salesmen can be on your team, but you are fighting an uphill battle to have them as aides if your receptionist constantly treats visitors as though their visit were designed for the express purpose of delaying her in working on a crossword puzzle.

Take a trip around to the front door and watch the reception your visitors get from your receptionist. Maybe you'll be surprised. If it's a pleasant surprise, tell her. If it's an unpleasant surprise, do the same thing, tell her. Also tell her how she should greet visitors. Remember, she's acting in your behalf, she's speaking for you and your company. She creates the first impression.

## Don't Fight Any Windmills

Recently we received a letter with this closing sentence: "I am reminded of Don Quixote's joust with the windmill." It struck a responsive chord, but, nevertheless, it took a trip to the library to really pin it down. The reference, of course, is to Don Quixote's battle with "giants" who, in reality, were windmills. Thus, fighting windmills is to face imaginary adversaries.

How often do we find ourselves jousting with such adversaries? A recent motivation study of purchasing agents indicated most P.A.'s are extremely secure in their positions but that job tension sometimes builds up doubts. In other words, every once in a while we take on a few windmills, but, as the marketing man whose company made the study said:

"The purchasing agent holds his job only because of his experience and know-how. No study could ever disprove that."

Just think of that conclusion the next time you tackle a few of those "giants."

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## Your Follow-Up File

### P.W. Keeps P.A. on the Alert

**Detroit, Mich.**

Your organization has given our purchasing department a mighty fine boost and recognition ("Using This Card R. L. Polk & Co. Streamlines Its Manual Inventory Procedure," July 28, p. 23).

Just to let you know that I still read PURCHASING WEEK from cover to cover, I want to mention that you had a very timely article two weeks ago regarding paper production and the possibility of further price increases ("Paper Makers See Demand and Prices Jump," Sept. 8, p. 1). Here in Detroit, because of our so-called depression, the buyer of paper without this knowledge could relax too much and really find himself in a hole.

**H. R. Schramm**  
Purchasing Agent  
R. L. Polk & Co.

### Reader Seeking Information

**Pittsburgh, Pa.**

We are in the process of setting up a preventive maintenance program.

I thought you might save us a lot of trial and error in setting this program up if you knew of a good system now in use in the dairy industry or related field.

**Dale Bachman**  
Purchasing Agent  
Country Belle Cooperative Farmers

### U. S. Sells S.I.C. Manual

**Quincy, Mass.**

In one of your issues there was an article on the use of the S.I.C. Manual to guide cataloging by Paul Graham, municipal purchasing agent for Bakersfield, Calif. ("Uses S.I.C. Manual To Guide Cataloging," July 7, p. 9).

The article states that Mr. Graham based his cataloging system on the Standard Industrial Classification of the U. S. Budget Bureau.

We would like to know where we should write to obtain such a manual and what the price would be.

**E. A. Pierce**  
Purchasing Agent  
Pneumatic Scale Corp., Ltd.

• The manual is put out by the U. S. Budget Bureau. Copies are available from the Superintendent of Documents, U. S. Government printing Office, Washington 25, D. C., at \$2.50 per copy.

### Air Freight Article Praised

**Washington, D. C.**

I enjoyed not only the article on air cargo ("Air Freight Growth Rapid; Industry Attacking Faster Ground Handling Problem," Aug. 11, p. 7), but also the whole newspaper which I had not seen before.

I hope you will have an opportunity in the future to write other stories about air freight and its relation to the purchasing agent's job.

**Louis J. Hector**  
Member  
Civil Aeronautics Board

### Buys Reading Article Reprints

**Perth Amboy, N. J.**

You have a most interesting and revealing article in your Sept. 1 issue, pages 14-15 ("How You Can Read Faster and Better").

Is it possible to get about ten reprints of this article as we feel several members of our organization should have copies to read and study?

**Henry Van Volkenburgh, Jr.**  
Sales Manager  
E. & B. Mill Supply Co.

### Overtime vs. Truckloadings

**Baltimore, Md.**

We are very interested in your overtime hours index, and we are very pleased with the article ("Overtime-Hours Indexes Forecast Future; August Figures Show Good Business Ahead," Sept. 15, p. 4).

We are rather impressed with the reasons you gave for overtime. Our company has been watching truckloadings for some time because we felt that buyers clamoring for goods and backlogs growing up would be forecasted in LTL freights and we could use it as an indicator similar to the philosophy that you had behind overtime hours.

We do not know whether or not your staff has ever considered this, but the reasons for the overtime hours are also set forth in the reasons that LTL freight should be studied. Unfortunately, we do not have at our disposal complete truckloadings and LTL loadings and are only using certain statistics on which we keep a constant watch.

We greatly appreciate your article on overtime hours as an index for forecasting the future. We will watch this indicator with interest because we feel that it is a very important one.

Again, thank you for your constructive help in this particular field.

**Melvin Fuld**  
President  
Fuld Brothers, Inc.

### Can You Use This Equipment

**Appleton, Wis.**

In one of your articles ("P.A.'s Suggest New Products in P.W. Survey" (Sept. 8, p. 1), you indicated that nothing has developed as yet to handle 3-ft. diameter rolls.

Appleton Machine makes a roll truck platform which is used for handling rolls of high grade paper, and it may fit into your requirements.

**Tany Agronin**  
Executive Vice President  
Appleton Machine Co.

### TO Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.



## PURCHASING WEEK Asks You . . .

How far should the purchasing department go in the accounts payable operation?



**D. H. Davis**  
Rockford Machine Tool Co., Rockford, Ill.

"I, personally, feel that the purchasing department should be fully responsible for all accounts payable invoices and all such invoices should be covered by a purchase order and receiving record. Sound purchasing requires correct receiving records and to carry out the complete function, the vouchering of the invoice against the receiving record. By vouchering I mean checking the quantity received against the quantity ordered, the discounts allowed, freight, either collect or prepaid, then checking the extension amount."

**H. H. Eggert**

Pulaski Veneer & Furniture Corp., Pulaski, Va.

"If a copy of the purchase order is supplied to accounts payable and if the purchase order contains all information as to price, cash, and F.O.B. terms, the proper account number, etc., and if the receiving department supplies accounts payable with a receiving report, I can see no reason for the purchasing department having to do anything further. In the absence of such records, then purchasing should be called upon for approval before settlement is made."



**W. F. Wellman**  
Frontier Chemical Co., Wichita, Kan.

"The purchasing department can and should assist the accounts payable section in setting up their month's expenditure forecast. This can be done by supplying the accounting department with a copy of all purchase orders showing actual or estimated prices, delivery, and billing terms. The accounts payable and purchasing departments must work together on processing invoices that do not agree with the purchase contract. These invoices should be cleared for payment by the purchasing department."

**Mrs. F. B. Kohler**

Joy Mfg. Co., Buffalo, N. Y.

"Generally, the extent of purchasing's involvement in this area should be the turning over of complete and accurate basic procurement information (in most cases a copy of the purchase order) to the accounting department. With complete information available, the accounting department should process and coordinate the accounts payable data in accordance with good accounting procedures and consistent with internal control requirements."



**M. A. Foran**  
Chromium Mining & Smelting Corp., Chicago

"Purchasing and accounts payable are, of course, two separate departments. However, they must work together as closely as possible as one function depends on the other. Purchasing can and should assist accounts payable in setting up its month's expenditure forecast. This is done by both summarizing purchases for the following month as well as supplying accounts payable with a copy of all purchase orders issued, showing actual or estimated price, terms, etc. This also eliminates purchasing from the task of processing invoices."

### Next Week—October 20

Seven purchasing men answer this question:

It is claimed every business executive has one particular project or program he would like to undertake when and if he finds the time. What is one project or program you would particularly like to undertake in your purchasing department?

You can suggest a question to be answered in this department by writing:

**PURCHASING WEEK Asks You**  
330 West 42nd St.  
New York 36, N. Y.

## How to Get More Out of Purchasing Week

### Back Copies Can Be a Valuable Reference

Since PURCHASING WEEK began publishing last Jan. 6, some subscribers have saved all of their copies. We doubt that they will ever become valuable in a monetary sense. But if one considers the value of the many articles this paper has published as tools for the purchasing executive and those which have contained sound basic information, a collection of PURCHASING WEEKS can indeed be valuable.

Readers of any publication fall into three classes. The first throw away the entire paper after reading it. The second clip or tear out items that they believe will have value to them at a later date. The third save the entire issue. A very few, including libraries, have the issues bound quarterly or semi-annually.

These classes naturally, are determined by the reader's own personality. As editors we have no wish to interfere with the personal habits of our readers. Even if we did wish to, there is little that we can

do. But we can and do advise.

We advise every office to keep a master file (unclipped). These copies should be bound at least semi-annually. As time passes these bound issues should become invaluable as a basic reference for purchasing men. They should prove to be a valuable indoctrination tool for new men in the department.

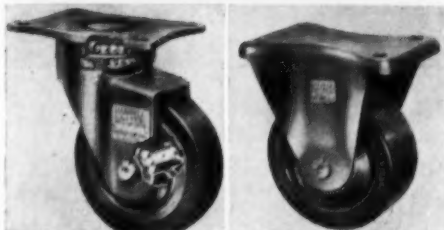
But every man in the department should have his own copy. Most likely he will want to clip this. We are so sure that most P.A.'s will want to clip PURCHASING WEEK New Product items so that they can be clipped, pasted on 3 x 5-in. cards, and filed without too much effort. Here we want to warn these gentlemen that filing must be done properly. It is a waste of time to clip and save items if you can't find them when you want them.

As for those who are tossing the entire issue away, just let us say we think they are making a big mistake.

It will  
pay you  
to check  
now on



**DARNELL**  
CASTERS AND WHEELS



**RUBBER TREADS . . .** a wide choice of treads suited to all types of floors, including Darnelloprene oil, water and chemical-resistant treads, make Darnell Casters and Wheels highly adapted to rough usage.

**RUST-PROOFED . . .** by zinc plating, Darnell Casters give longer, care-free life wherever water, steam and corroding chemicals are freely used.

**LUBRICATION . . .** all swivel and wheel bearings are factory packed with a high quality grease that "stands up" under attack by heat and water. Zerk fittings are provided for quick grease-gun lubrication.

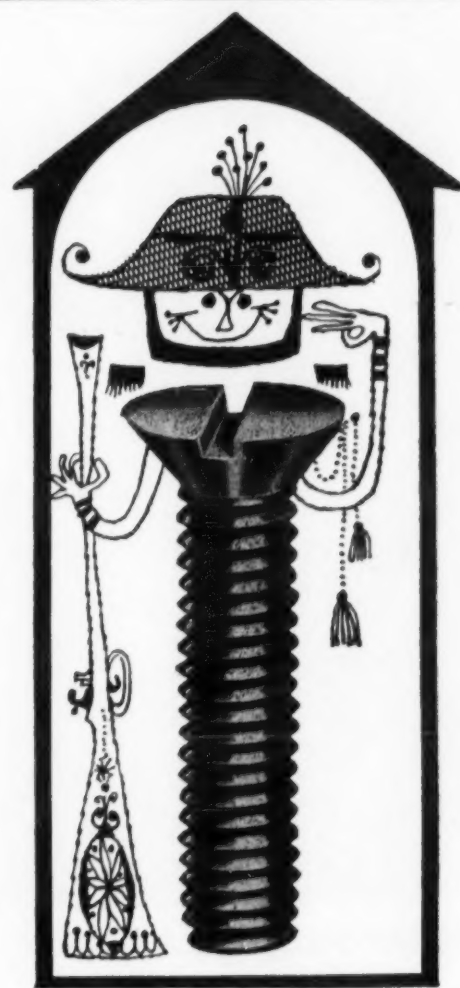
**STRING GUARDS . . .** Even though string and ravelings may wind around the hub, these string guards insure easy rolling at all times.



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### GUARD AGAINST CORROSION WITH ALCOA ALUMINUM FASTENERS

Whatever you make, make it better of aluminum and fasten it with Alcoa® Aluminum Fasteners. Guard against both galvanic and atmospheric corrosion and get lasting sales appeal with bright, carefree aluminum fasteners. For your requirements, call your nearest Alcoa sales office. Complete stocks of all standard types and sizes of Alcoa Aluminum Fasteners are on hand at your local Alcoa distributor. Look in the Yellow Pages of your telephone directory.



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SCRAP-SELLING P.A.'s (p. 14) claim highest price isn't the goal. Trick is figuring fair differential



TRANSPORTATION COST is major item. Trucks, rail cars, and variable freight rates



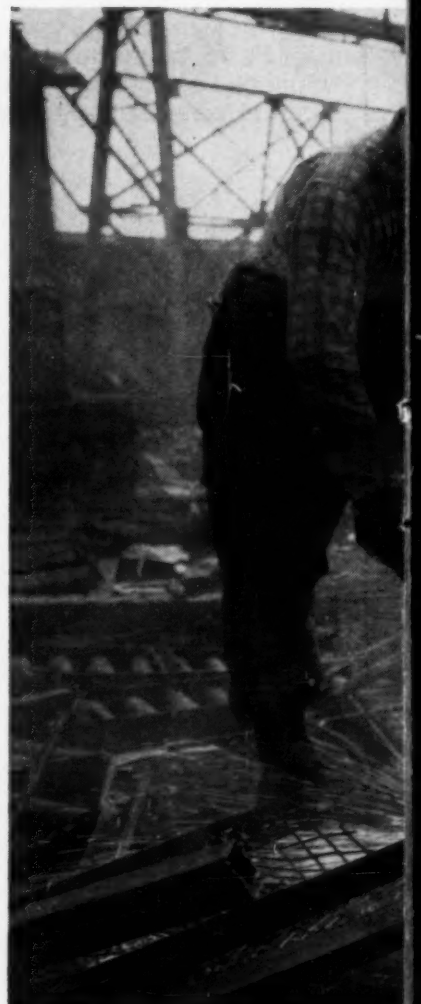
MARKET RISK on bouncing price differential formula must consider



IDLE SCRAP is idle money. Dealer's investment in scrap awaiting processing or shipping must be considered.

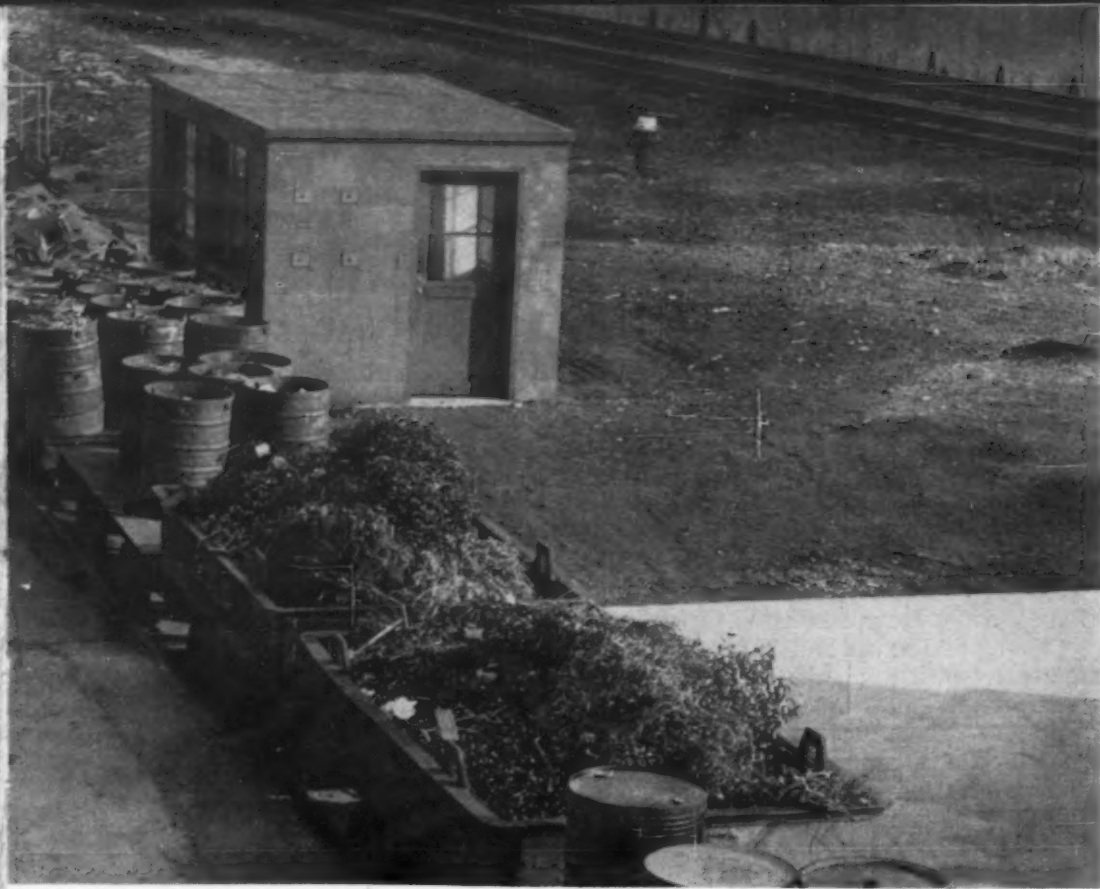


EXPENSIVE HANDLING EQUIPMENT is required for heavy or odd-size scrapped equipment. Differential on such odd lots should include equipment investment and upkeep.



HAND LABOR is required for ton and boiler plate. This processing





em in differential you allow the dealer. He must haul scrap to his yard, then haul to mill. ght rates are expenses dealer might have in handling scrap grades generated at your plant.



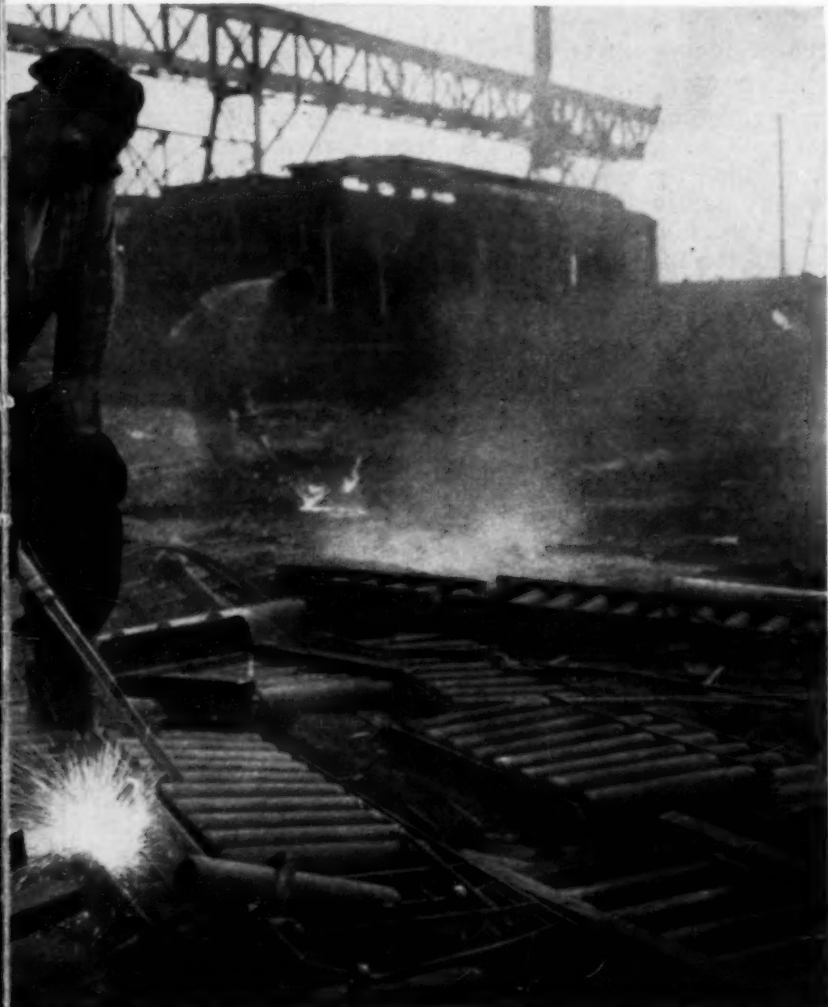
PROCESSING special scrap grades involves baling (above) for copper wire, grinding or crushing for some turnings and borings. Mill won't buy some grades without such processing.



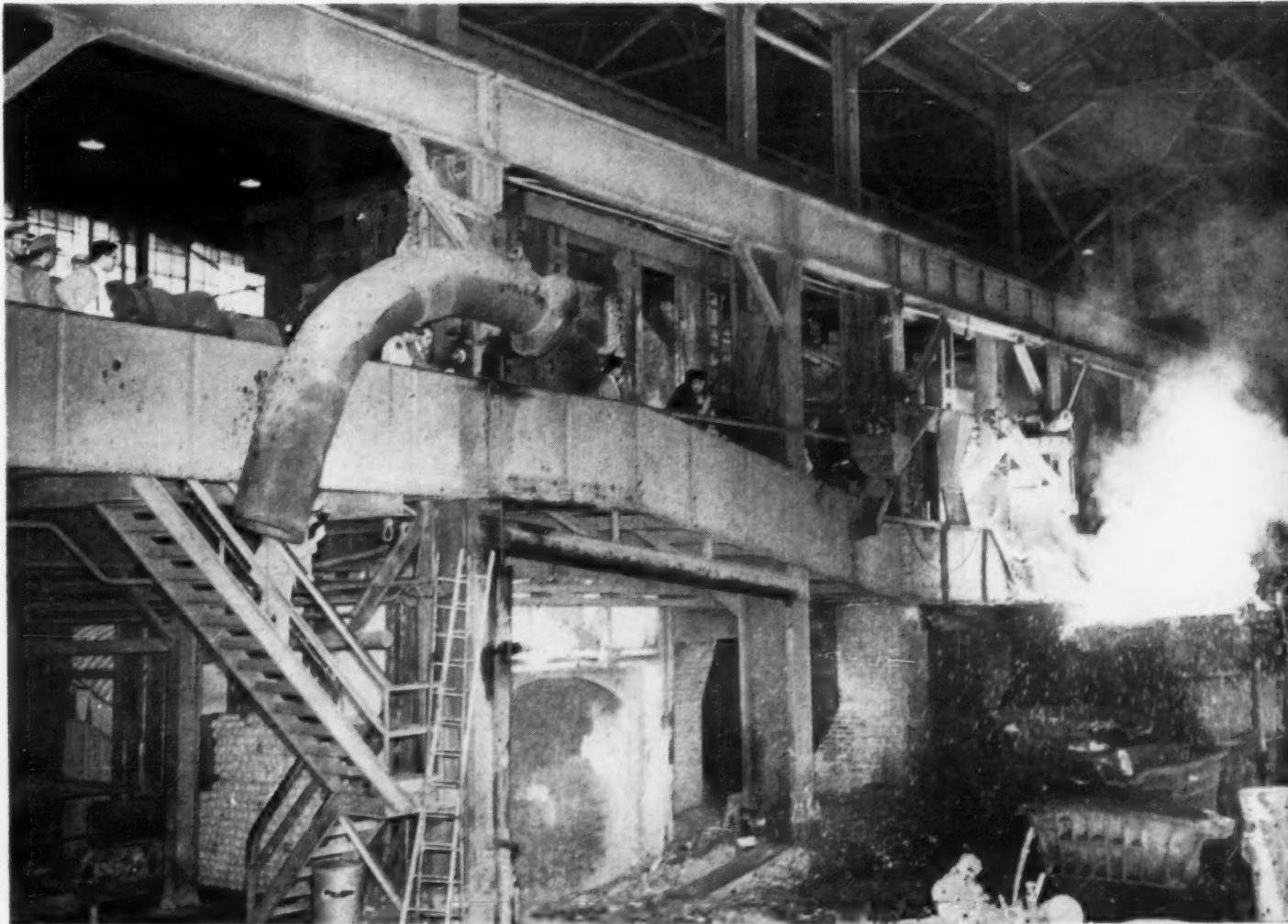
s is dealer's worry. But fluctuations in mill prices.

# Scrap Price Differential Depends on Dealer's Cost to Get It to Market

Turn the page for a story on scrap handling systems of various industries



ching and segregating obsolescence scrap such as conveyor systems is expensive, but there's no getting around it. See next caption.



MILL ACCEPTANCE and price dealer receives depend on sizing and segregation of the scrap. These six scrap-handling factors make up formula for figuring realistic differential on each scrap class your plant generates.



# Scrap Handling Systems Vary by Industry

PURCHASING WEEK Investigates and Finds Firms Have Own Methods; Case Histories Give Purchasing Agents Opportunity to Study and Select Best One for His Company; Volume and Type of Scrap Handled Big Factor

(See picture spread pages 12 and 13)

Handling and selling scrap can be a full-time job or a purely automatic process. Because most purchasing agents are responsible for the company scrap-disposition program, how do they go about it? PURCHASING WEEK asked and found systems varying with the industry, volume and type handled, and with the individual in charge.

## INDUSTRIAL EQUIPMENT MANUFACTURER

R. E. Anderson, general purchasing agent at Harnischfeger Corp., outlines his company's scrap-handling system with these three basic steps.

1. Anderson establishes specifications for each grade of scrap generated. As a guide, he uses the yearbook published by the Institute of Scrap Iron and Steel.

2. A plant education program teaches personnel to segregate metal scrap in line with established specs.

3. Anderson asks reputable scrap dealers for bids based on published scrap prices, minus a differential. This dealer's differential includes expenses of pickup, processing, freight cost to the mill, and a reasonable dealer profit.

Anderson says he doesn't try to sell direct to a mill because, "We have a constant supply of scrap, and the end user isn't always in the buying market. A dealer who buys from us regularly will continue buying our scrap even when he can't sell it and has to store it in his yard."

Fair weights are important in Anderson's scrap-selling system. Carloads are weighed on company scales by a certi-

fied weighmaster. Trucks are weighed both empty and loaded on the same public scale. The Certified Public Scale tickets govern payments for scrap.

## RAILROAD

The New York Central Railroad's scrap handling program is supervised by John Voorhies, manager of scrap and reclamation. Scrap sales are handled by the purchasing department.

Voorhies says: "I report to Purchasing a scrap volume forecast based on past production, with understanding that orders must be completed within 60 days of date of sale."

Thirty-three percent of New York Central's metal scrap is sold from the line "as is." The other 67% (miscellaneous shop and maintenance-of-way materials) is shipped to Central's scrap and reclamation plant for handling and sorting.

The Central's scrap volume requires shears, magnetic cranes, and a 6,000-lb brass furnace for separating mixed ferrous and non-ferrous material.

## APPLIANCE AND COOKWARE MANUFACTURER

N. A. Schowalter, West Bend Aluminum Co.'s vice president for purchasing, says, "Management here long ago realized the importance of scrap segregation in getting a good price for metal scrap."

Illustrating this point, Schowalter says sorting begins right at the point of generation. Machinings and solids (castings) are segregated at the machine and placed in containers identified as holding:

Solid scrap—not contaminated  
Machinings scrap—not contaminated  
Solid scrap—contaminated  
Machinings scrap—contaminated  
Work orders to the scrap shop show alloy of the delivered scrap. Skeleton scrap from sheet as well as defective stampings of the same alloy are put into clearly marked containers.

West Bend's stainless steel scrap is accumulated in Dempster units, briquetted, and shipped at the end of the month. Stainless is presently sold on the open market to the highest bidder. But during the recent strict control on nickel, West Bend controlled scrap movement to assure that nickel-bearing scrap was returned to mills dealing with the company.

Carbon steel scrap volume is small at West Bend. A scrap dealer leaves a semi-trailer at the plant and picks up when the trailer is full. Sale price for carbon steel is based on the published monthly price average.

## METAL FABRICATOR

W. H. Roy, administrator of inventory management, oversees scrap handling and sales on the corporate level at Rheem Manufacturing Co. But purchasing agents in the various Rheem plants supervise their own scrap systems. Roy says Rheem's 40,000-ton annual scrap volume is handled this way:

Heavy-gauge skeletons generated by punch presses are stacked at the point of generation then moved by lift truck directly to a rail car.

Light-gauge skeletons are accumulated in special bins, picked up by lift trucks equipped with rotating heads, and carried to a rail car.

Miscellaneous small-volume scrap is accumulated in steel drums. Then it is either dumped into special bins, or taken directly to scrap car or truck.

Obviously, Rheem doesn't go to great lengths to process scrap. W. H. Roy says "At one time a Rheem plant baled scrap. But recent changes in design of scrap balers made it impossible to compete with professional baling. So now we ship all scrap loose, let the dealer-broker handle processing."

## CONSTRUCTION EQUIPMENT MANUFACTURER

W. Brossman, purchasing agent at Koehring Division, Koehring Co., says "the secret of proper scrap handling is having plant personnel properly trained to recognize different scrap classifications."

Brossman says production scrap at Koehring falls into seven classifications. Most of the scrap is ferrous. Having no storage space for scrap, Brossman has to move everything out of the plant daily. Scrap dealers help him by spotting Dempster Dumpster units throughout the plant to be hauled away once a day.

Brossman explains his scrap-selling system this way: "We make no attempt to speculate. Every 90 days we ask for new bids from at least three dealers."

"Each dealer bids on a differential basis. His differential consists of freight costs plus labor and handling costs. For instance, on plate three feet and under, the published price for the week shows an average price of \$48.50 per gross ton, F.O.B. Chicago. If the scrap dealer's differential is \$4.50 on a bid basis, the net to my company is \$44 a gross ton. The dealer offering the smallest differential is the highest bidder."

Brossman says reciprocity occasionally enters the picture because Koehring equipment is used in the scrap industry.

How does this P.A. look out for such pitfalls as dishonest weight reports? Brossman says "We have two main check

points. Each load is recorded by plant guards as it leaves the plant. Weighing is handled by a third party; that way we avoid seller-dealer arguments over whose scale is correct."

## AUTOMOBILE MANUFACTURER

Fred Tredhome, chief P.A. at Ternstead Division of General Motors, says: "In the plant we maintain segregation bins. Some of the scrap is baled in our own baler; the rest goes loose."

"I give month-by-month estimates of scrap generation to Central Purchasing in Detroit. It gets bids from all over the country and informs me of dealers' orders. I then ship scrap out against those orders."

## ELECTRICAL AND ELECTRONICS MANUFACTURER

F. A. Shewmake supervises scrap sales at Western Electric plants throughout the United States. He says the first step in selling scrap is establishing a "target price" a fair price for a given scrap category. (see picture story, p. 12)

In working toward this target price Shewmake starts with the nationally published basic scrap metal prices. From the prices he subtracts a dealer's differential based on the dealer's handling cost, market risk, invested capital, transportation cost, and local market situation.

Actual bidding for scrap is handled differently at the various plants. The Chicago W. E. plant has a full carload of scrap steel every day. The scrap supervisor gets 20 bids on anticipated scrap generation a month in advance. Then he sells to the chosen bidder and makes a report to Shewmake in New York.

Although plant men must stay in touch with Shewmake, scrap sales are partially decentralized. Each plant's scrap man (usually a member of the purchasing department) has a ceiling on the dollar-volume of scrap he can sell at one time without consulting Shewmake. Amount of the ceiling depends on the plant man's experience in scrap selling, experience in the company, and his past performance in scrap supervision.

## INDUSTRIAL VALVE, GEAR, AND PUMP MANUFACTURER

H. J. Jungbluth, purchasing agent at Oilgear Co., supervises handling and sale of 100 tons of scrap per month. Jungbluth says his tonnage doesn't make scrap a big problem, but the variation in types of scrap generated calls for unusual methods.

Jungbluth explains his problem this way:

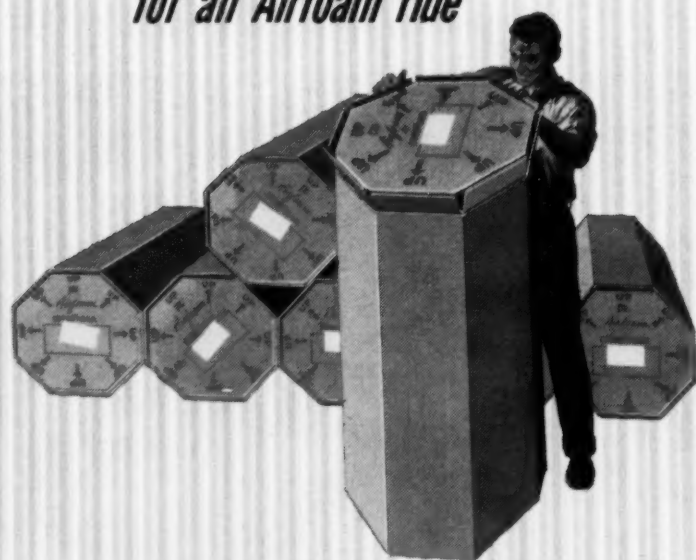
"Most of our machine tools are multi-purpose, so several different jobs may be run across one machine in any given day. This gives us small piles of many different grades of borings and turnings. It would be too costly to segregate these by-products so we sell them as mixed borings and turnings."

Jungbluth does, however, segregate Low Phosphate Plate, generated in the welding-fabricating department. And scrap castings are segregated and sold as Cupola Cast.

Motorized shop equipment carries the scrap to removable containers provided by the scrap dealer. No other storage is needed because the dealer removes full bins promptly and leaves empties.

Jungbluth sells scrap on annual contract. Prices are based on published quotations for the week in which the scrap was picked up. Published price, minus a "negotiated fixed differential", determines cost-per-net-ton that appears on bill sent to scrap dealer.

*Corrugated cushion  
for an Airfoam ride*



This H & D corrugated drum makes rolls of Goodyear Airfoam easier to pack, more economical to ship. Flexible ends provide protection against compression and shock. Packaging problem? Better see H & D.



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15 FACTORIES • 42 SALES OFFICES



# This Changing Purchasing Profession . . .



W. E. HUNTER

## Hunter a Vice President At Curtiss Candy Co.

Chicago—William E. Hunter, purchasing director, has been made vice president of the newly created purchasing division at Curtiss Candy Co.

Purchasing now becomes the firm's fourth division. In spring 1957 the company's 12 operating divisions were combined into three divisions: production, finance and administration, and sales.

Hunter joined the firm in 1938 after working for the company two years on a part time basis. He served in various capacities in accounting, sales, management, production, and cost control and headed distribution and warehousing at Chicago headquarters before his appointment as purchasing director in 1957.

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. . . and low cost production is possible at ETASCO because of our very complete facilities for blanking, piercing, drawing, welding, etc.

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## North American Aviation Names 4 in Purchasing

Canoga Park, Calif.—Four purchasing appointments have been made for the Rocketdyne Division, North American Aviation.

S. C. Schultz has been named purchasing agent for the raw material and subcontracting sections. He succeeds B. L. Weber who was transferred to Missile Division.

V. L. Butterbaugh has been made purchasing agent for the

hardware-facilities and supply section.

G. J. Cheek has been assigned the post of chief of purchasing operations, responsible for the requirements section and the costs and services section.

G. E. Wagner has been appointed general supervisor and department head of warehousing.

Walter H. May, purchasing agent since 1953 for Rochester Germicide Co., Rochester, N. Y., has been promoted to vice presi-

dent and director of purchasing and production.

Dale Keller has been appointed purchasing agent at the Woman's College of the University of North Carolina, Greensboro, N. C.

George B. Detwiler, purchasing agent for Esterbrook Pen Co., Camden, N. J., has been assigned the added post of treasurer.

Paul Graham took over as purchasing agent for the City of

Berkeley, Calif., Oct. 1. Graham had been purchasing agent for the City of Bakersfield, Calif.

## Obituary

### F. W. Goldberg

Minneapolis—Frank W. Goldberg, 53, purchasing agent for the Newhouse Paper Co., died Sept. 24. A native of England, he had lived in Minneapolis 52 years. His wife and two sons survive.

You can  
count on  
this  
**FREE  
SURVEY**  
to help cut your  
operating costs

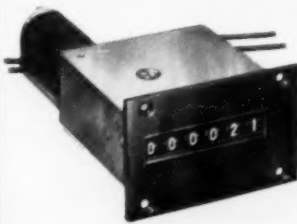
Here's a 2-man team that will give you a powerful lift toward closer *Control* of plant costs . . . your Veeder-Root Industrial Supply Distributor and a Veeder-Root Sales Engineer. Together they can spot and eliminate profit-leaks with facts in figures that give you constant, instant command of every machine and process.

And mostly they can do this by adapting *standard* counters from the complete Veeder-Root line . . . saving you the need and cost of special counters.

What's more, this survey is quick, complete, and costs you nothing. All you have to do is speak a word to your Industrial Supply Distributor and he will take it from there. Phone or write him today.



### NEW ADDITION TO VEEDER-ROOT'S Standard Packaged Line



NEW PANEL-MOUNTED HIGH-SPEED ELECTRICAL COUNTER, designed for accuracy and long life at very high speeds, up to 3,000 counts per minute. Panels of these counters can be placed in your office . . . and all panels can be reset instantly with one button! Ask your ISD to show you this and other V-R Standard Counters.

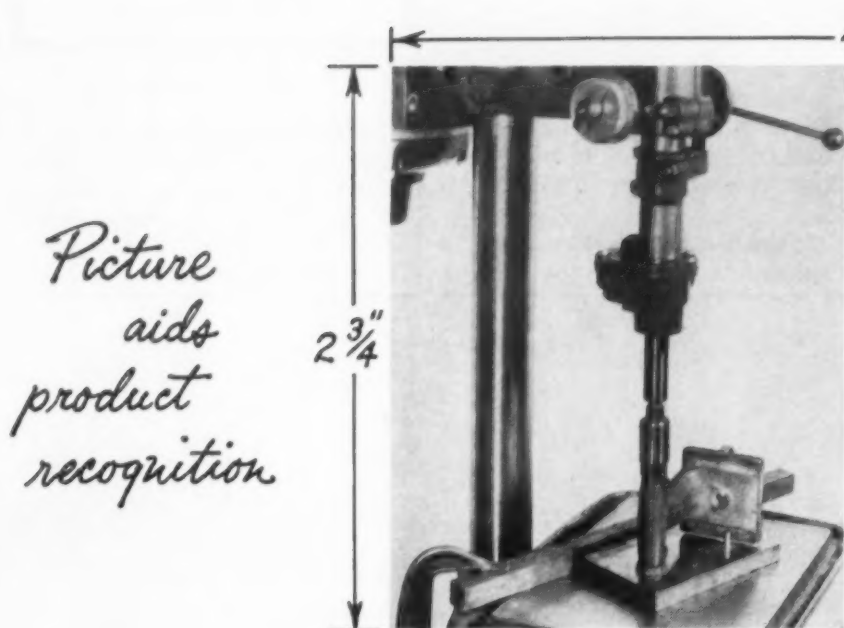


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### Slow-Speed Attachment

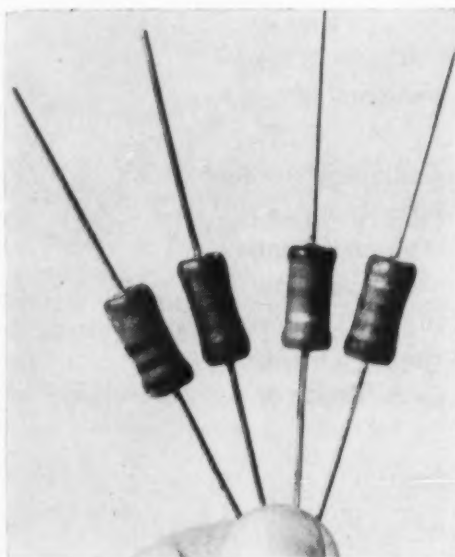
Lets Drill Press Do Heavy Work

Slow-speed attachment equips 20-in. drill press for heavy duty work. Special attachment provides smooth, high torque, power transmission for a variety of common operations including spot-facing, reaming, counter-boring, core drilling, and cutting wood plugs. Accurately machined, heat-treated double-reduction gears eliminate chatter and slippage. Reduction gears have a ratio of input to output of 4.6 to 1 r.p.m.

Price: \$68.75 fob. factory. Delivery: immediate.

Rockwell Mfg. Co., Delta Power Tool Division, 496 N. Lexington Ave., Pittsburgh 8, Pa. (10/13/58)

*Size permits you to paste on 3x5 card*  
*Copy gives only pertinent details, cuts your reading*  
*How much it costs and how soon you can get it*  
*You'll know when item appeared*

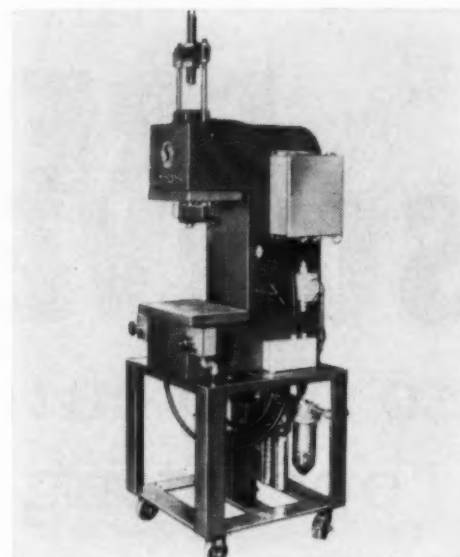


### Film Resistor

High Stability Under Humidity

C-42, 2-w. film resistor has high stability under humidity and changes in voltage and temperatures. Resistor is designed for applications at temperatures up to 150C. Glass-based resistor, with a tin oxide metal film, has a resistance range of 200 ohm. to 1.5 megohm. C-42 resistor is capable of withstanding momentary overloads up to 250 times its rated power of 2 w. at 70C.; available in 5 and 10% tolerances.

Price: from \$480 per M (1 to 99M) 5% tolerances; from \$240 per M (1 to 99M) 10% tolerances. Delivery: 3 wk. Corning Glass Works, Corning, N. Y. (10/13/58)



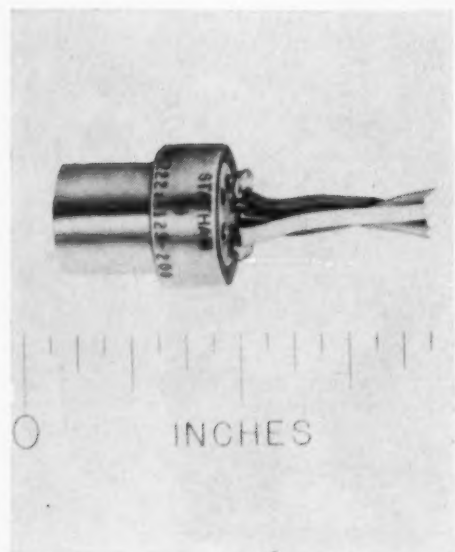
### Production Press

Gives Positive Ram Speed

Air-hydraulic high-speed production press gives positive ram speed and stop control with no overtravel. Ram pressure is adjustable from 2 to 12 tons with identical speed cycle. No cooling water is required regardless of cycle speeds. Press has two hand-safety controls, wired for either momentary contact through timer control for positive stroke cycle or manual control.

Price: \$2,500 (Model A-H-1000), \$1,500 (5-ton), \$885 (2 1/2-ton) complete. Delivery: immediate.

Studebaker Hydraulic Products Co. 1733 N. 33rd. Ave., Melrose Park, Ill. (10/13/58)



### Pressure Transducer

Unbonded Strain Gage Types

Model P222 pressure transducer can accurately measure pressures within its operating temperature range of -65F. to +250F. and within its pressure range of 0-10 to 0-200 psig. Miniaturized dimensions are 0.25 in. dia. Miniaturized dimensions are 0.25 in. dia. and 0.31 in. length. Natural frequency of unit is about 7,000 to 20,000 cps. and indefinite resolution is provided. Unit has an output of 15 milliv. full scale open circuit, with a nominal bridge resistance of 200 ohm.

Price: \$275. Delivery: 70 days.

Statham Instruments, Inc., 12401 W. Olympic Blvd., Los Angeles 64, Calif. (10/13/58)



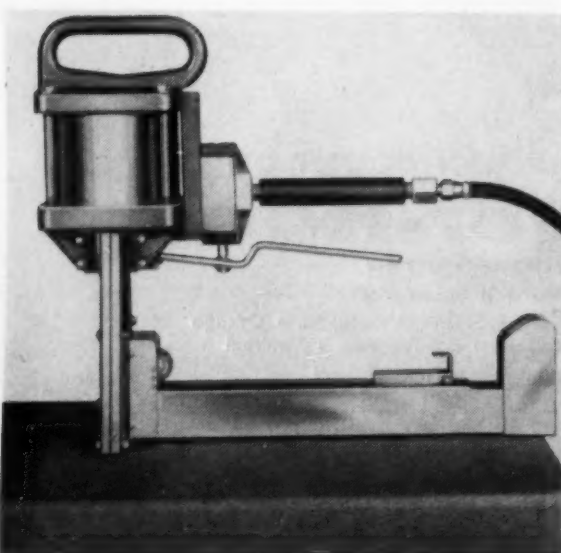
### Compacting Press

Fully Enclosed, 20-Ton Unit

"R" series single-station, single-pressure powder metal and ceramic presses can make tablets up to 3 in. in dia. and 2 in. depth of fill, at the rate of 16 to 48 pieces per min., depending on material being used. Indicators show the exact amount of upper punch entrance and the location of the fill stop. Enclosure of press protects working parts from dirt and dust. Easy access doors are provided for lubrication and interior cleaning of the press.

Price: under \$6,500. Delivery: immediate.

F. J. Stokes Corp., 5500 Tabor Rd., Philadelphia 20, Pa. (10/13/58)



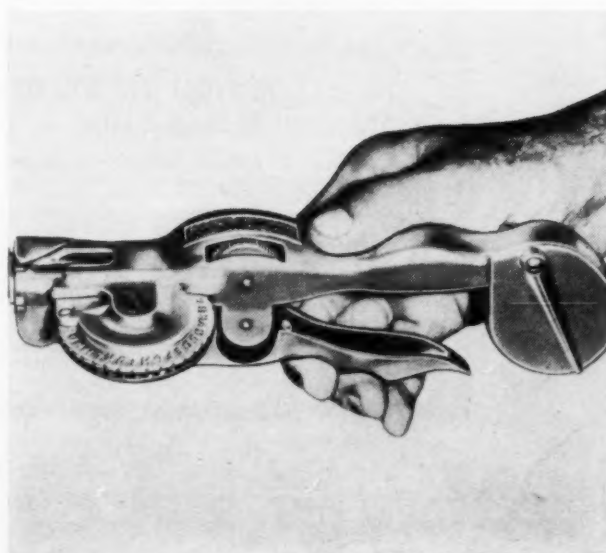
### Giant Stapler

Closes 1,100-lb. Box

Model G giant container stapler closes triple wall or double wall corrugated cartons up to 1,100 lb. with legs of great length. Model G delivers over half a ton of pressure with each stroke. Automatic double acting pneumatic piston gives rugged endurance. Portable stapler has staple leg lengths of 7/8, 1, 1 1/8, 1 1/4, and 1 3/8 in.

Price: \$185. Delivery: immediate.

Container Stapling Corp., 308 N. Park Ave., Herrin, Ill. (10/13/58)



### Hand Size Labeler

Marks Any Metal

Midgie labeler makes individual label strips in any desired lengths. Device may be used for any purpose where an indestructible metal tag is required. Strips are 1/2 in. wide. Operate the 10 1/2 in. long labeler by dialing letter or number and squeezing the handle to operate.

Price: \$47. Delivery: immediate.

Roovers-Lotsch Corp., 3611-14th Ave., Brooklyn 18, N. Y. (10/13/58)



# New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



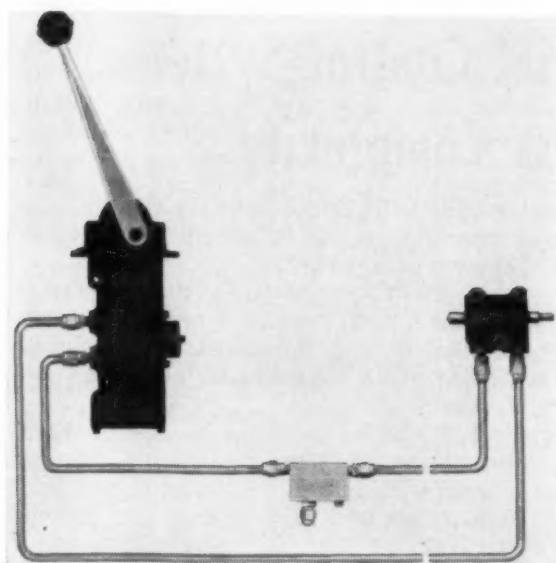
## Dictation Machine

### Has Electronic Features

Model SI 50 magnetic tape combination recorder-transcriber has a mike which electronically actuates all operations from handle. Finger-tip action electronically operates start, stop, fast-rewind, record, play-back, and error correcting controls.

Price: about \$300. Delivery: immediate.

Scribe Internationale, Division of General Sintering Corp., Melrose Park, Ill. (10/13/58)



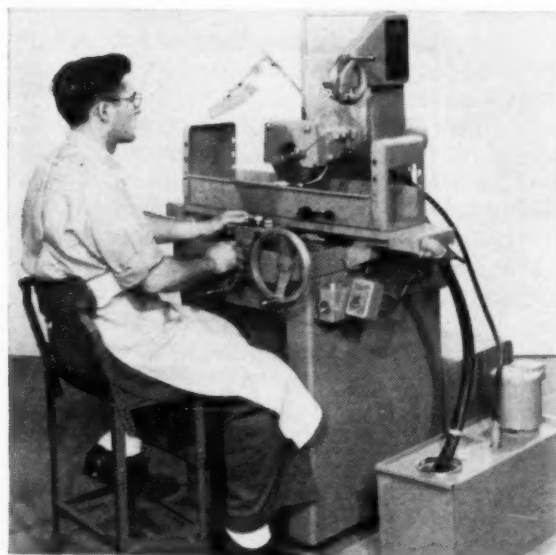
## Remote Control Slave Unit

### Has Straight Line Motion

Remote control slave unit is self-contained and completely hydraulic. Slave piston and master control lever maintain synchronization. Length of stroke is 1 in. with a thrust capacity of up to 1,000 lb. Unit can be mounted in any position. Integral filler-bleeder fitting eliminates need for accessory pressure equipment.

Price: \$122.50 (master and slave combined). Delivery: immediate.

Hydronic Co., 12685 Arnold Ave., Detroit 39, Mich. (10/13/58)

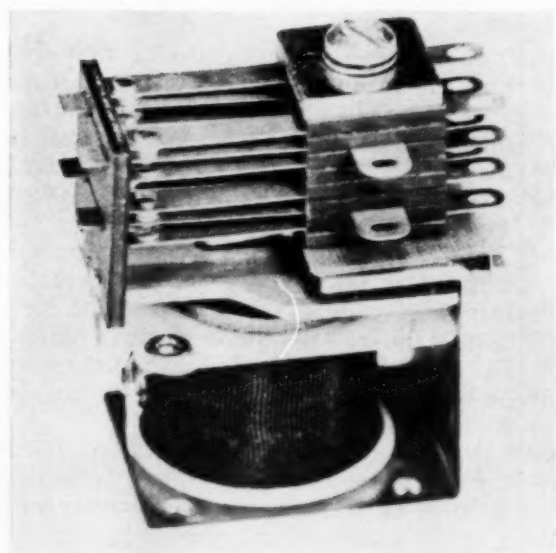


## Surface Grinder

### For Operator Convenience

Model DH-612 has a 6-in. adjustment which permits the best height to be selected for every operator in either standing or sitting positions. Position of downfeed handwheel, 12 in. out from column, places it at eye level, eliminating stretching and straining, yet avoiding accidental bumping. Table feed handwheel can be located on either side of saddle for right or left hand operation.

Price: \$1,450. Delivery: 12 wk. DoAll Co., Des Plaines, Ill. (10/13/58)



## Electrical Relays

### Small in Size

General purpose vertical coil type can be mounted in a 1 1/2 sq. in. space. Power relay handles high amperage and inductive loads. Its contacts are rated at 15 amp., 1/2 hp; 115 v. ac., 1/2 hp. Coil rating of general purpose type is 115 v. ac. continuous duty, 50 to 60 cy., adaptable to any ac. or dc. voltage range.

Price: \$1.25-\$2 (general purpose), \$2 (power relay). Delivery: immediate.

Acro Division, Robertshaw-Fulton Controls Co., Columbus, Ohio. (10/13/58)

## This Week's

# Product Perspective

OCTOBER 13-19

The U.S. has no corner on the market for new products and ideas. Plenty of both come from abroad. And a look abroad comes in handy sometimes—especially when you have to fill a gap between your company's needs and what's available here. The following gives you an idea of what's being offered by overseas companies:

**Low-cost analog computer** is no bigger than a small radio-phonograph combination. Called Minispace, its maker, Solartron Electronic Group, Ltd. (Thames Ditton, Surrey, England) prices it at about \$4,500.

A new machine from England cuts the cost of **soldering printed-circuit junctions**. Molten solder is pumped into the form of a **standing wave** fixed at a constant height. To solder connections, the **printed circuit is passed across the crest of the wave**. Joints are made in 2 or 3 sec. Fry's Metal Foundries, Ltd., makes the soldering machine (U. S. distributor, Electrovert, Inc.).

**Armor for protecting cable, flexible tubing, and small-diameter pipe line** looks like a tightly compressed coil spring. Coil strand is made from polyvinyl chloride and has a semicircular crosssection. Inside of the coil presents a flat, smooth surface. Its maker, Creators, Ltd., (Sheerwater, Woking, Surrey, England), says the **protecting armor will resist acid and high crushing pressures**.

An English firm looks like it has a way to **improve flame resistance of fiberboard**. Hickson's of Castleford (Yorkshire) is offering licenses around the world. Key to the process is a **new way to impregnate the fiberboard**. The compound used is much like the water emulsions now used on wood. But, says Hickson, **fire-resistant properties of the treated fiberboard approach that of completely non-combustible materials**.

A **synthetic fiber** developed in Japan is **on its way to the U.S. market**. It's called **Vynylon**, and is said to have the strength of nylon and excellent resistance to chemicals, sunlight, fungus. U. S. licensee, Air Reduction Co., is gearing itself to produce polyvinyl alcohol, Vynylon's raw material. Other companies are expected to take up fiber manufacture in the near future.

Britain's Grundig Co. says it will market a **home tape recorder for TV sound and vision** within the next 2 yr. (TV tapes have scored a success here this season. Many of the new programs are recorded on tape rather than on film.) A **home TV tape recorder would let the user record for all time his favorite TV program** for playback on his own TV set. Grundig's recorder is only on paper now, but the company expects it to be about table-TV size and sell for \$200 to \$300.

The **building-block concept of machine tool design is getting much attention these days from tool builders and users alike**. But most of the work has been aimed at standardizing special machines. **Now standard machines are beginning to get the building-block treatment**. Object is to eliminate machine obsolescence when the product the machine has been working on changes (P. W., April 28, p. 21).

Baker Bros., Inc., has just come out with a **series of vertical and horizontal hydraulic drilling machines based on building blocks**. The vertical machine, for instance, can be had with any one of three different column sizes, 21 standard universal heads, 26 standard fixed heads, six standard rotary tables, or 18 standard box tables. **All you have to do when the job changes is to change one or more of the standard components**.

Baker expects to stock components. This will let its customers make speedy changeovers in machine operation.

**Correction:** Two of our Sept. 1 new products fall short of presenting the complete picture. On page 16, **Vanguard Engineering's Power-Wheel** is described. But the picture alongside the description is that of Vanguard's Aero-Crane. The latter is a counterbalanced mobile floor crane with an adjustable boom. Hand operated, it sells for \$995; power operated, the price is \$3,950.

On page 17, we describe **Universal Machine's Tracmaster drafting machine**. It can be used on more than just the detail drawings suggested in our subhead; it also handles large layout drawings. And actually its arm provides inherent stability rather than prevents stability as our description says.



## Your Guide to New Products

(Continued from page 17)



### Walkie Truck

#### Operates in Minimum Space

JackStacker walkie truck can high-stack loads in minimum aisle space. 1,000 lb.-capacity truck has an overall length of 63 $\frac{3}{4}$  in. with a 24-in. long load. Truck can maneuver and high-stack goods in aisles as little as 5-ft., 10-in. wide with a 24-in. long load. All controls, including brake, traction, lifting, lower, and tilting, are centrally located in the handle.

Price: \$3,270. Delivery: 3 wk.  
Lewis-Shepard Products, Inc.,  
Dept. R8-21, 125 Walnut St.,  
Watertown 72, Mass. (10/13/58)



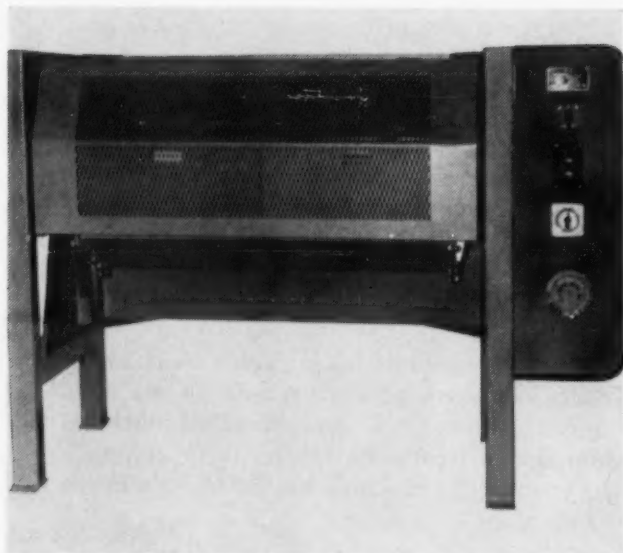
### Particle Testing Kit

#### A One Man Operation

YL-51 combination yoke-coil magnetic kit detects transverse and longitudinal cracks in ferrous parts and demagnetizes parts after test is completed. Included are two powder dispensers, 1 lb. each grey and black powder, two 25-ft. power cords, metal carrying case.

Price: \$365 fob. plant. Delivery: immediate.

Magnaflux Corp., 7300 W. Lawrence Ave., Chicago 31, Ill. (10/13/58)



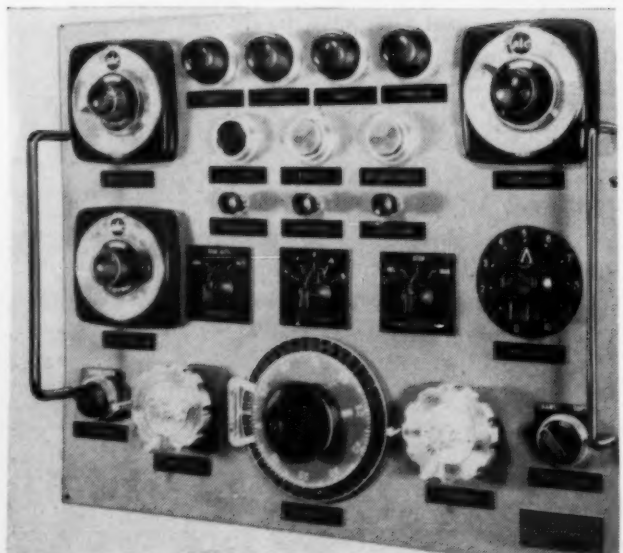
### Barrel Finisher

#### 8 Cu. Ft. Capacity

Model V8 finishing machine handles high production runs. Compartments can be easily interchanged to fit range of special finishing needs. It has 1, 2, or 4 compartments; seamless vinyl-lined barrels; 12 to 36 rpm. variable speed.

Price: \$1,205 (unlined) \$1,455 (lined). Delivery: immediate.

Rampe Mfg. Co., Cleveland 10, Ohio (10/13/58)



### Positioning System

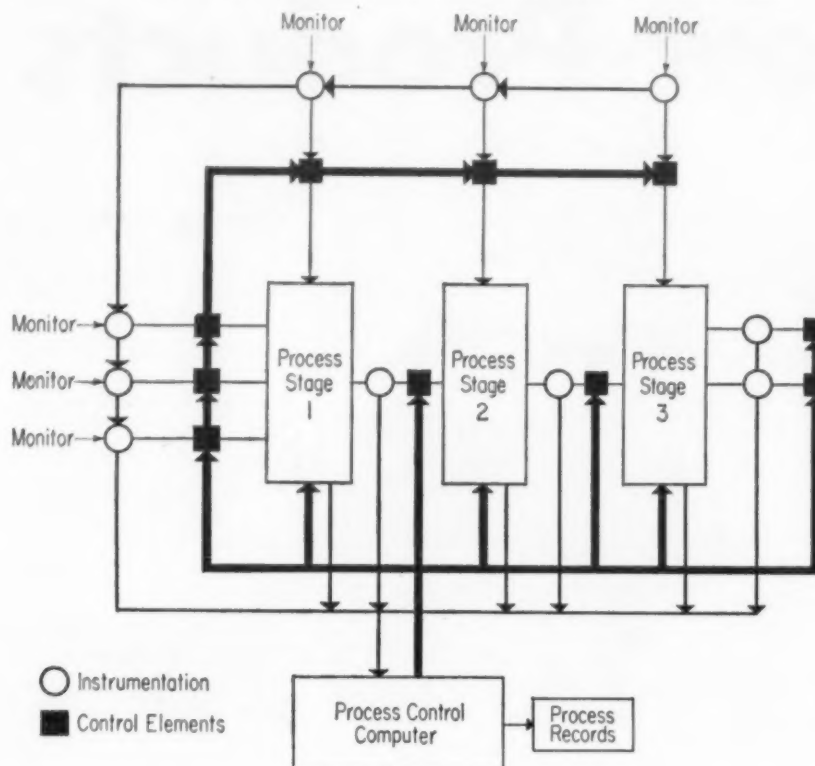
#### Dial-Set Programming

Positioning system is designed for automating short-run production in punching, drilling, inserting. Positioning is accomplished by high-performance electro-hydraulic servo systems.

Price: about \$6,000 (including programmer plus single axis movement. Additional axes higher). Delivery: about 4 mo.

CDC Control Services, Inc., 644 S. Warminster Rd., Hatboro, Pa. (10/13/58)

## WHAT COMPUTERIZED PROCESS CONTROL SYSTEM LOOKS LIKE



## Computerized Industrial Control Systems May Overcome Process Complexity

Industrial processes get more complex each day. So far the answer to this complexity problem appears to be computerized control systems.

Basically, a computerized control operation duplicates the physical step-by-step routine of a human operator completing his required work. But it does it faster and more accurately. Roughly, here's how such a system works and some examples of automatically controlled processes.

Besides a computer, a process control system consists of standard process-monitoring instruments and control devices (drawing shows the layout of such a system). A program set up by the plant's operating staff tells the computer what adjustments to make in the process, depending on changes in process variables as measured by the monitors.

Westinghouse Electric Corp. engineered a fully automated system for a Jones & Laughlin Steel Corp. rolling mill. The system directs actions of a roughing mill that feeds a continuous hot strip mill.

Information on what must be done with a slab coming into the mill is contained on an International Business Machine punched card. The operator feeds the card through a reader which picks up the information and passes it on to a "memory" unit. The "memory" unit in turn parcels out the information to control the operations performed on the slab during each phase of its journey through the mill.

General Electric Co.'s Computer Department also has computer systems for several different processing applications. These include tin plate mill data accumulating systems, gage logging systems, data acquisition systems for sintering plants, and static card readers for rolling mill applications.

At present G.E.'s engineers are designing a large data processing system for sintering plants. The system will gather and record data from numerous points, convert the data into engineering units, and print a typewritten record.

Thompson-Ramo-Wooldridge Products, Inc., has a desk-size computer which will supply automatic control on all continuous and batch operations in such industries as petroleum refining, chemicals, metals, glass, food, and paper. This basic computer has a price tag of about \$98,000.

Librascope, Inc., latest entry (Libratrol-500) into the computerized process

control field offers the user flexibility of operation. It can be set up to operate in anyone of three ways:

1. The Libratrol-500 system is used to collect data to provide a human operator immediate and understandable information to make his estimates of proper control settings.

2. It can be installed in a plant where the action of each variable on the final output is clearly understood, the computer will collect and analyze data and provide the operator with the correct settings for the controls.

3. It provides a closed loop to permit the complete, automatic control of the process. Information from monitoring devices is used to evaluate product quality and plant limitations. Output then directly changes controller set points within process as required.

Flexibility is also obtained through the use of the building-block concept. It offers the user a single system with capacity to accommodate expanding functions. A complete changeover from manual process control to automatic may be made by adding units.

A computer is used as the basic building block, and monitors, conversion devices, and outputs are custom engineered for the specific installations. As new sensing and control devices or techniques are developed, they may be added to the system to adapt the Libratrol-500's ability to control additional process stages.

While much study is being put into computerized controls, there's also activity in the development of relatively low-cost devices that can be set up to control at least part of a process. Here are two of them:

• Atronic Products, Inc., is manufacturing a carton selector for automatic case selection. Through a 5-bar code a selection of any type of case, box, or carton may be made. Up to 30 different items may be counted and sorted by this Model 410 as goods move along a conveyor.

• Nuclear Corp. of America, Inc., has automatic equipment that accurately measures contents of sealed opaque containers through the use of nuclear beams. Up to 1,000 containers a minute can be gaged by this nuclear device known as Indicon 1-200.

Besides reporting the improperly filled containers Indicon automatically removes them. A signal activates a heavy relay and a reject mechanism eliminates "delinquent" containers from the conveyor belt.



## Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon

**Metal-Clad switchgear** is described in 40-page bulletin, No. GEA-5664E. It includes equipment and application photos, dimensional drawings and lists of basic and optional equipment for the complete Metal-clad line, rating, dimension and weight tables on indoor and outdoor units, and equipment diagrams. Copies can be obtained from **General Electric Co., Schenectady 5, N. Y.**

**"16mm Kodak Movie Films—Data and Selection"** is title of new booklet. It tells when and why to use reversal or negative type film, color or black-and-white movie film, and provides advice on loading, film storage, processing, duplicating, and the use of magnetic sound coating. It also contains complete exposure information for indoor and outdoor shooting as well as information on exposure compensation when using filters. Booklet is available from **Eastman Kodak Co., Sales Service Div., Rochester 4, N. Y.**

**"Cutting Trends"** is title of new publication. It discusses the latest trends and advances in the design and application of grinding wheels, shear blades and machine knives for metal-working, wood, paper, and allied industries. A special section is devoted to questions and answers of specific grinding and cutting problems. Copies can be obtained from **Sales Promotion Dept., Simonds Worden White Co., 1101 Negley Place, Dayton, Ohio.**

**Steel storage files** are described in 16-page catalog. It illustrates the wide range of sizes and styles in

which the files are available. A special section is devoted to steel tab files which are available in 1 and 2 drawer styles, in self-stacking trays and box storage units. Catalog is available from **Diebold, Inc., 818 Mulberry Rd., S. E., Canton, Ohio.**

**Man-made diamond wheels** are described in new catalog, No. ESA-290. It contains consumer net prices for man-made diamond wheels in resinoid and vitrified bonds, and natural diamond wheels in metal bond. Copies can be obtained by writing **Simonds Abrasive Co., Tacony & Fraley Sts., Philadelphia 37, Pa.**

**Fixed and variable capacitors** are described in 4-page bulletin. It includes a section describing qualities desired in precision capacitors. A general section describes the unique system by which the capacitors are mounted so that any combination of capacitances may be interconnected without introducing variable lead capacitances. Bulletin is available from **International Telephone & Telegraph Corp., 250 Garibaldi Ave., Lodi, N. J.**

**Manufacturing facilities and quality control procedures utilized in the production of high alloy commercial castings, valves and fittings** is described in 16-page book. From engineering and pattern making to melting, inspection and testing procedures, the book offers the reader a background of information in foundry practice and capabilities. Book is available from **Cooper Alloy Corp., Hillside, N. J.**

**30 different points of comparison for both high-lift and low-lift "walkies"** is given in new buying guide. Such categories as traction speeds; location of operating controls; type of brakes; mast construction; hydraulic system; maintenance features, and electrical components are listed on the chart. Copies can be obtained from **Lewis-Shepard Products, Inc., 125 Walnut St., Watertown 72, Mass.**

**Pressure-compensated flow regulators for hydraulic power systems** are described in 16-page catalog, No. 1000. It includes full-range adjustable, limited-range adjustable, and factory-set fixed-flow models. Sectional illustrations and dimension drawings are given for all models, together with enough information to enable the designer to make his own regulator selection in most cases. It also contains an orifice-flow chart. Catalog is available from **Waterman Engineering Co., 725 Custer Ave., Evanston, Ill.**

**Gas-fired unit and duct heaters** are described in 4-page bulletin, No. 9717. Charts and tables included provide such useful information as gas connection sizes, input BTU/hr., output BTU/hr., delivery, outlet velocity, fan motor horsepower and speed, fan diameter, and net weight. Installation type drawings are presented together with a companion chart giving basic dimensional information for each model in the full line. Copies can be obtained from **American-Standard, American Blower Div., Detroit 32, Mich.**

## Anaconda Co. Forms Engineering Subsidiary

**New York**—The Anaconda Co. has established its engineering department as a wholly-owned subsidiary, **Anaconda-Jurden Associates, Inc.** The subsidiary will be made available to other companies for designing, engineering, and supervising construction of major industrial plants.

**Wilbur Jurden**, chief engineer for Anaconda, has been named president and chief engineer for the new concern.

Anaconda engineers have in the past not only designed and built plants for the company and its subsidiaries, but also for **Phelps Dodge Corp.** and **Erie Mining Co.**

## Reed Roller Bit Co. Plans 5-Year Expansion

**Houston**—Reed Roller Bit Co. has planned a \$25 million expansion and sales buildup program for the next five years. New equipment will be installed in all departments including "the latest in forging, turning, and heat treatment," according to **John F. Maher**, president.

Emphasis will be on domestic sales with the June 1961 target set at \$50 million, \$15 million more than 1957. Exports last year accounted for 45% of total sales and 55% of profits.

## Precision Paper Acquires Buckeye Bobbin Co.

**Chicago**—Precision Paper Tube Co. has acquired the **Buckeye Bobbin Co., Cleveland**, and will operate it as a division. Other fabricated products adaptable to Buckeye's facilities, in addition to the bobbin assemblies made under Precision's patents, will be solicited.

Precision manufactures high dielectric coil forms and tubes for electrical and electronic equipment, television and radio.

## Eversman Forms Unit For Steel, Plate Work

**Denver**—Eversman Mfg. Co. has formed a special products division to handle steel and plate forming, fabrication, and assembly of all types including machine tool production.

The new division will enable eastern and West Coast manufacturers to have their products assembled in Denver to save freight costs. The firm operates its own truck fleet for shipments in the Rocky Mountain states.

## Miniature Adds Space

**Keene, N. H.**—Miniature Precision Bearings, Inc.'s plant here has increased its manufacturing space by 50%. **Horace D. Gilbert**, company president, said the "added production area (25,000 sq. ft.) now makes it possible for MPB to offer 30 day delivery lead time on bearing orders."

## Bendix Adds to Plant

**Detroit**—Bendix Aviation Corp.'s plant here will be expanded to provide a 60% increase in space for the manufacture of numerical control systems for automatically controlling machine tools.



NEW SYMBOL is placed under the old at a Worthington Plant.

## New Mark Identifies Worthington Corp.

**Harrison, N. J.**—Worthington Corp., more than a century old, has just announced the latest feature in its continuing streamlining program. Worthington junked the trademark the company had used since 1885 and adopted a modernized version.

Research to devise a bold new trademark began two years ago. When 200 mechanical engineers familiar with Worthington and its products were polled, nine out of 10 failed to identify the wings of the ancient Egyptian scarab trademark. In fact, they either didn't know whose trademark it was or guessed it represented an aviation or transportation firm.

The prominent mark just adopted is considered 75% more visible and far more symbolic of the present forward thinking of the company, which began a revitalization program about ten years ago.

The trademark change goes hand in hand with other Worthington modernization developments, the latest of which include: 1. a divisional organiza-

tion allowing the firm to function as though it were a federation of smaller, independent companies, and 2. a "gear-to-the-customer" program, the company's term for its marketing concept of dividing the sales force into areas of direct sale and resale.

## Firestone of California Marks 30th Anniversary

**Los Angeles**—Firestone Tire & Rubber Co. of California recently celebrated its 30th anniversary which concurred with the production of the company's 55 millionth auto tire.

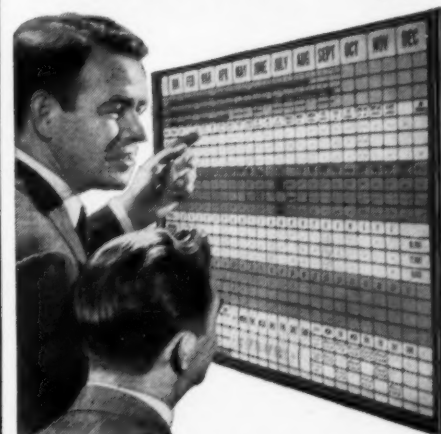
**George B. Gose**, president of the Los Angeles Chamber of Commerce; **Mayor Norris Poulson** of Los Angeles; company president **Ledward K. Firestone**; and **Burton W. Chace**, chairman of the Los Angeles County Board of Supervisors attended.

Grace presented Firestone with a resolution passed by the board setting forth the contributions the company has made to the industrial and civic growth.

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Staff answered .....	126
Published in P.W. ....	30
Answered by readers .....	21
Unanswered .....	9



## In the World of Sales

**Frank Ross** has been promoted from assistant to the vice president-sales to vice president-sales at E. F. Houghton & Co., Philadelphia. He succeeds **David J. Richards**, who retired after 41 years with the firm. **Charles R. Schmitt** has been named assistant to the vice president-sales.

**John C. Bennett** has been made New York district sales manager, Industrial Chemical Division of Stauffer Chemical Co.

**John T. Bennett** has been advanced to sales manager of Gorham Tool Co., Detroit. He had been midwestern district manager.

**Raymond O. Oyler** will join The Bunting Brass & Bronze Co., Toledo, as director of sales effective Oct. 1. Oyler is manager of the New Departure Division, General Motors Corp. **Robert R. Hirsch**, vice president in charge of sales, Brunting Brass, will continue on special assignments until his retirement during 1959.

**Thomas H. Thoresen** has been named field sales manager for Hannifin Co., Des Plaines, Ill., a division of Parker-Hannifin Corp.

**William C. Goetz** has been advanced to distributor sales manager by the Formsprag Co., Warren, Mich.

There have been four additions to the organic chemical sales department staff of Emery Industries: **Robert S. Haley**, formerly with the Vopocolene Division to the New York office; **J. Warren Sackett**, formerly with Bay Rubber Plastics, Inc., to the Cleveland office; **Walter R. Paris**, formerly with Godfrey L. Cabot, Inc., to the Lowell, Mass., office; **Robert H. Endress**, formerly with

Standard Oil Co., (Indiana) to a newly-created territory with headquarters in Pittsburgh.

**Eustace Lingle** has been elevated to vice president in charge of industrial sales and education by Oakite Products, Inc., New York.

**John R. Burwell** has been made manager of government sales for Olin aluminum, Metals Division, Olin Mathieson Chemical Corp., New York.

**Robert K. Maddock** has been appointed eastern sales representative for the Missile Products Division, Fruehauf Trailer Co., and will headquarter in New York.

**Glenn M. DeBaker** has joined the Milwaukee Branch sales office of American Air Filter Co., Inc., as a sales engineer.

**Frank W. Schreiner** has been named Cleveland district manager for Pratt & Whitney Co., Inc. **Arthur C. Dade** has been named cutting tool and gage sales manager for the Cleveland territory.

**Eric Eckberg** has been named vice president in charge of sales for Union Spring & Mfg. Co., New Kensington, Pa. **Cornelius A. Rauh** has been appointed sales manager of the firm's subsidiary, Biggs Steel Foundry & Fabricating Co., Akron, Ohio.

**Peter Stefan** has been made manager mechanical alloys at Wilbur B. Driver Co., Newark, N. J.

**Joseph P. Ronco** has taken the post of sales manager for ceramic cutting tools with Gulton Industries, Metuchen, N. J. He had previously been employed by General Electric Co. Schenectady, N. Y.



### Nylon Oil Barge Passes Water Tests

**Southampton, Eng.**—After testing a 10,000-gal. sealed oil barge made of a rubber-coated nylon fabric here recently, many industrialists agreed it could revolutionize transportation of petroleum and other low-density fluids.

"These nylon barges are an ideal answer to the boom-slump cycle of the oil industry," Prof. W. R. Hawthorne told McGraw-Hill World News. He, along with other scientists at Cambridge University, conceived the idea after the British intervention in Egypt in 1956.

Specially woven thin nylon fabric weighing only 200 lb. takes all the skin stress. It is sandwiched between synthetic rubber coatings which provide the sealing and protection against abrasion.

Total skin thickness is only 0.15 in. and weight of the 100 ft. long, five ft. diameter container is only 2,300 lb. Immediate development and manufacturing plans provide for sizes up to 1,100 tons for use in inland waterways and coastal waters. Much larger sizes up to 10,000 tons are considered feasible on the basis of preliminary assessment of the static and dynamic loading conditions in heavy seas.

Dracone Developments, Ltd., which manufactures the barges, says they are relatively cheap and develop little drag. The 10,000 gal. barge demonstrated here created only 800 lb. drag at seven knots. Three could be towed at that speed by a 60 hp. tug.

Cost works out to about one third of a conventional steel barge, falling to one sixth for a container of 1,100 tons.

### Celanese, Imperial Form United States Subsidiary

**New York**—Celanese Corp. of America and Imperial Chemical Industries, Ltd., Great Britain, have formed a joint U. S. subsidiary to produce Teron, a polyester fiber similar to Dacron.

The polyester will be produced in filament and staple fiber form. Plans call for construction of a plant, probably in the South, with estimated production capacity at 40 million lb. a year.

Imperial Chemical has world rights except for the U. S. on the new fiber and has been selling it under the trademark Terylene. Du Pont has exclusive U. S. rights for production and sale of Polyester fibre until July, 1961. Celanese is not expected to offer Teron before then.

### Prepaid Air Freight Available to Shippers

**Encino, Calif.**—Shippers can now buy prepaid air freight transportation at the Collection and Exchange counters of the Bank of Encino's three branch offices here.

This banking program, in cooperation with American Shippers, Inc.'s new ParcelAir System, was made possible by the method's use of special stamps to prepay the delivery cost.

The bank has arranged for distinctive withdrawal slips to facilitate the purchase of stamps

in books of \$100 each. Parcel-Air combines air transportation with door-to-door truck or parcel post delivery to any town in the country in two to three days.

### Nordix Corp. Opens Duct Conduit Plant

**Houston**—Nordix Corp., manufacturer of multiple duct conduit for underground cables, opened a new plant in Denver, supplementing present plants here and in Dallas.

Long-range plans call for the company to open 25 plants in other cities in the next two years. Most of the firm's output has been going to the telephone industry; however, the company plans to tap the electrical industry.

### Plant Expansion Set

**Calvert City, Ky.**—Air Reduction Chemical Co. is building a new polyvinyl alcohol resin plant here and a supporting pilot plant at Bound Brook, N. J. The 20-million lb. a year resin plant as well as the pilot plant are expected to go on stream early in 1960.

### Standard Opens Plant

**Fayetteville, Ark.**—Standard Register Co., manufacturer of business forms and devices, has dedicated its \$1 million plant here. It will serve as the midwest division plant for the company.

### Air Reduction to Build Oxygen Plant for Armco

**New York**—Air Reduction Sales Co. plans to build a new oxygen plant for Armco Steel Corp. on Air Reduction's property at Butler, Pa. Plant capacity is expected to be 120 tpd of high purity oxygen, and will be in operation within 18 months.

The company also announced it will build an industrial gases manufacturing plant in Denver to make oxygen, nitrogen, and liquid nitrogen products. The company has a sales office and warehouse there serving Colorado, Wyoming, and western Nebraska.

### North American Nickel Formed to Bid on Plant

**New York**—Four metals companies and an investment house have formed a new mining firm, North American Nickel Corp. The firm will bid on a U. S. government-owned nickel plant at Nicaro, Cuba.

Backers of North American are Bunker Hill Co., St. Joseph Lead, Co., Falconbridge Nickel, Co., and Blyth & Co. A spokesman said the firm was organized with initial capitalization of about \$100,000 in anticipation that the government may soon be ready to turn the Nicaro property over to private industry.

### Air Freight Overnight

**New York**—United Air Lines has inaugurated an overnight all-cargo service from Chicago to Cleveland and the East Coast (Philadelphia, New York, Springfield-Hartford, and Boston). The DC-6A Cargoliner schedule of early-morning arrival here provides same-day delivery of domestic shipments and minimum-time transfer of overseas cargo to international airlines, the air line said.

## EMPLOYMENT OPPORTUNITIES

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*Designed and Developed by ENGINEERS for ENGINEERS*

**Eastman**  
"O" Ring Boss Fittings  
with Back-up Washer  
to prevent "O"  
Ring Extrusion

Eastman engineers cooperated in the pilot application of hydraulic hose assemblies on the power unit of this Sherman Power Digger shown above.

For full payload power—from lever to load—consult first with Eastman—"first in the field" of Hydraulic Hose Assemblies.

It pays to submit your original specifications for your first quotation to Eastman.

Write for . . .  
Adapter Bulletin No. 500

**Eastman** MANUFACTURING COMPANY  
Dept. PW-10C, Manitowoc, Wisconsin



# Purchasing Perspective

OCT. 13-19

(Continued from page 1)

Regaining early 1957 production peaks during the upswing just won't be enough this time. Those production levels still will leave a sizable number of unemployed. Here's why:

- Industrial productivity has risen since the 1957 production records were set.

- More workers have joined the work force.

Latest production statistics show output still down 6% from the high point set over a year ago. During the same period, total industrial unemployment has dropped approximately 11%.

The implication is clear. The U. S. can turn out more goods than ever before with fewer workers.

On the other hand, employment was scheduled to take a big jump in official September statistics due for release last weekend with improvements coming in sectors where it counts. While unemployment appeared set for its second consecutive monthly decrease, the big trick for this time of the year is to get the jobless total below 4 million.

If the economy continues at the near breathless gross national product pace now widely predicted, unemployment still stands a good chance of working down below the 4 million mark during October.

Led by steel, virtually the entire metalworking industry is reflecting increased demand with production increases. Even in metal components segments which apparently still have not caught the full force of the industrial current, things are looking up, if only gradually.

Particularly striking last week was a surge in non-ferrous metals, highlighted by new price jumps in copper, lead and zinc (see p. 1). Aluminum also was on the bandwagon with two more producers announcing increased production schedules to meet improving business.

Manufacturers of screw machine products which have been bouncing along a rocky bottom for many months now see a hopeful sign in an improvement in the repeat order rate. Repeat orders are considered a good barometer of the competitive pressure applied by purchasing agents shopping on the basis of price instead of returning directly to original source of supply. The rate, at a low of 62% early this year, now is back up to around 70%. Norm is 80%.

## Intermountain P.A.'s Conduct 'Skull Practice' at Conference

**Salt Lake City**—Purchasing agents from 11 western states and Hawaii engaged in a vigorous "skull practice" session at the Pacific Intermountain Purchasing Conference here Sept. 26-27.

Conference chairman J. Merrill Bushnell of Pacific States Cast Iron Pipe Co. divided the delegates into seven groups which "brain picked" principal purchasing problems.

Transportation was near the top of the list, with P.A.'s expressing demand for eventual elimination of what they felt to be regional inequities in steel, petroleum, and other basic commodities.

The petroleum panel agreed generally purchasing should seek wherever possible the elimination of escalation clauses—payment of prices on a when-delivered basis rather than on a firm contract at the time of order.

Food processing came in for demands for better labeling and elimination of rail freight inequities. Some panel participants said rate inequities were compelling their companies to job truck or use company-owned trucks for pickups.

Discussion of foreign-produced steel items featured the steel buy-

ing session, and increasing invasion of foreign produced re-bars, nails, iron, and other products was forecasted. Such imports, largely from Japan, now amount to 5-7% of the western market, it was estimated, although there is no such similar flood yet in plate and structurals.

Purchasing agents are keeping closer watch on domestic products, however, under the pressure of foreign steel competition in the West, it was generally agreed. Warning which came out of the steel panel was: Many states are imposing restrictions against foreign produced items for their purchasers, so purchasing agents must watch closely in buying on the import markets for products their firms make for state government orders.

More than 300 delegates and guests registered for the two-day conference. Principal speakers included N.A.P.A. District 1 President John R. Hairgrove; N.A.P.A. executive secretary G. W. Howard Ahl; John A. Hill, president of Air Reduction Co.; William F. Edwards, finance secretary of the Church of Jesus Christ of Latter-day Saints; and Obert C. Tanner, Salt Lake City jewelry manufacturer.

## P.A.'s Hit, Back Steel Tag Rise in P.W. Study

(Continued from page 1)

asked if they as purchasing executives, make it a policy to resist all price increases. The replies here were more of the "iffy," conditional response.

Forty-eight per cent answered "yes" but in many cases added the phrase "wherever possible". Others stressed their efforts to make suppliers justify all increases.

Thirty-three per cent replied "no," but frequently with the qualifier "not in all cases." And 19% clearly straddled the issue with a "sometimes yes, sometimes no" type of answer; or they said in effect: "would like to, but how?"

The P.A.'s who declared with little or no qualification that they resist all price increases almost invariably also denounced steel and other commodity increases during the past summer as unjustified.

### Labor Costs Cited

Those supporting the view that steel had but little choice in announcing price increases for the most part gave labor wage costs as the basic insurmountable factor confronting the industry. Inflation, rising cost-of-living, high taxes, and amortization problems were other causes cited.

Many in the "unjustified" camp branded the increases as inflationary or expressed fear the economy as a whole would suffer because of such action by a basic industry during a recession period. Others contended steel's profit picture remained favorable enough to finance the higher costs or that increased productivity was the real answer, not higher prices.

A Cleveland purchasing official (aircraft equipment) said he believed steel increases were justified but not to the extent prices were raised. "Increased material and labor costs justified some increase—but where does the cycle end?" he asked.

### Wage-Price Cycle A Worry

Deep concern over the ultimate outcome of the wage-price cycle and the overall health of the nation's economy was evident in many of the comments.

A Seattle P. A. said he believes the steel price increase was justified as far as the mill operators were concerned but he was "worried by the whole philosophy of price increases." He believes the nation's economy will weaken if "price increases are automatic with wage increases."

The purchasing agent for one of the nation's biggest railroads took this position: "Steel is a basic industry but one industry alone cannot reverse the business trend until government policies and spending support the reverse trend by reduction of taxes and allows adequate charges to depreciation."

As for price increases generally, this same railroad purchasing executive declared he has a policy to "resist, discourage, and circumvent where possible."

A Connecticut machinery manufacturer's purchasing director said "with inflexible labor costs, steel had no other alternative for adequate earnings. Taxes also were a contributing factor."

A St. Louis purchasing executive expressed bitter criticism.

"No," he said. "Steel companies are not doing a darn thing in trying to combat the foreign competition. They are sitting back with a take-it-or-leave-it attitude and tending to force buyers to buy more foreign steel."

An Indiana P.A. (automotive products) was also highly critical. "Wage increases should be offset by increased efficiency and production," he said, "not passed on to the customer as price increases."

But James Dixon, P.A. at Southern Mills in Atlanta, said he understands the steel industry's problems, particularly in regard to labor costs and feels the increase was justified.

"Naturally we don't welcome price increases," Dixon said, "but we try to be realistic in dealing with them when we think they are legitimate."

A purchasing official at one of the big power companies in the South took the opposite stand: "The increased costs could have been absorbed otherwise." This P.A.'s utility resists price increases in that it "shops around" in an attempt to avoid them but it also recognizes the fact that such "increases are sometimes warranted."

C. A. Keefer, purchasing agent for a Pittsburgh Plate Glass Co. plant in Georgia, said steel trapped itself into doing something it did not have to.

"The steel industry itself fos-

tered and created the economic situation which forced prices on its products upward," Keefer said. He believes that "under existing conditions the industry had sound economics for increasing prices but those existing conditions could have been avoided had an all-out effort been made in that direction."

In Los Angeles, David Mastropieri of American Latex said he thought a steel price hike was unnecessary. "Profit margins were already high and even with the wage increase the steel companies could have made a comfortable margin of profit without raising prices."

On prices generally, Mastropieri complained: "I'd like to resist them (price increases), but how do you do it? The things we buy are all the same price no matter where we buy them. This is especially true in chemicals. They say there's no price fixing, yet all the companies seem to come up with the same prices at the same time?"

In Detroit, James Lee, purchasing director for American Motors defended the higher steel price action, pointing out that steel makers began preparing the major companies for the increase months in advance with elaborate justifying arguments. Lee believes that post-war steel increases have more immediately to do with depreciation write-offs than labor costs.

## P.A. Seek Stature, Survey Shows

(Continued from page 1)

while to help the purchasing agent gain stature. They are advised to:

1. See the purchasing agent first before going elsewhere in the plant.
2. Suggest ideas on things, such as products and packaging.
3. Make your recognition of the P. A.'s position known, although not too obviously.

The study showed that although P. A.'s are fundamentally secure individuals, job tension fosters uncertainties. A possible mishap in production because of a material shortage, failing to purchase what is requested, being called upon by management to account for a specific transaction—all these things tend to make a buyer feel insecure in his job.

Researchers believe this desire for security drives him to the large supplier who represents "strength and assurance" and away from the small vendor who may represent "uncertainty." This type of thinking nails a buyer to the same supplier year after year.

Friselle told PURCHASING WEEK that the Dow training course as a result of the survey stresses these points:

- Overbearing salesmen are strongly resented. They are looked upon as a threat to security.

- Oversolicitous salesmen, or the "yes" man, are also disliked. Buyers fear they are manipulators and don't tell the truth.

- Robot salesmen, or the master of cold-fact selling, are shunned because they are not "warm and human." They can



PARKER FRISELLE

offer the P. A. certainty but not the type he desires.

• Man-to-man salesmen are the kind who can win the P. A.'s heart and business. P. A.'s like them because they are not afraid to argue and disagree. This type of salesman offers the most certainty of all.

## Parks to Replace Keliher At Metropolitan Meeting

**New York**—J. K. Parks, director of purchases and traffic, Metal & Thermit Corp., Rahway, N. J., will conduct the opening session of the Metropolitan Purchasers Club's course on "Administration of the Purchasing Function" Oct. 14.

Initially Donald T. Keliher was to have conducted the opening session, however pressure of other activities compelled him to withdraw. In addition to his regular duties as director of purchasing for United States Metals Refining Co., Carteret, N. J., Keliher is supervising the publication New York Purchasing Review as acting editor-manager.



## New Drill Keeps Heat Out of Job; Advantages Explained for P.A.'s

(Continued from page 1)  
1/2-in. drill "looked like a carrot" when it was withdrawn.

Mossberg is in production of drills up to and including 1 1/2 in. dia. Larger sizes are expected when present facilities are expanded. Drills as small as 1/16-in. have been made from hypodermic needles on an experimental basis.

Drill-hole depths, up to 21 in. to date, apparently are limited only by the length of the drill and the size of the lathe bed.

Cold Point's design features a single hollow core through which a large volume of coolant is circulated under 125-lb. pressure down to the tip of the drill. A specially-designed tip has two cutting lips. The tip is carbide and is inserted and silver-soldered into a slot milled across the hollow core opening in the business end of the drill. Cutting chips are in the form of tiny flakes and are flushed out of the hole by the coolant along channels on the outer surface of the drill shaft. The latter is made from standard tubing.

Any water-soluble oil coolant apparently will work. Only additional equipment needed is an auxiliary pump for the coolant and a coolant-transfer unit for chucking the drill. A Jacobs Rubber-Flex chuck, or equivalent, was used in demonstrations. Only modification is a hole in the arbor to take the coolant hose. Mossberg is developing its own Cold Point coolant and will have its own transfer units in production within 60 days.

The coolant does not have to be refrigerated. Its high-speed flow in and out of the drill hole

apparently keeps it cool enough.

The drill forms an extremely fine finish, almost burnished on hard materials. There is no work hardening of the piece surface, making subsequent operations, such as tapping or reaming, much easier.

Drill times are extremely high.

All materials were drilled in a single pass at a maximum speed of 1,500 rpm. Higher speeds, says Mossberg, "will cut the time in half."

For a large Cincinnati manufacturer who wanted 1/2-in. holes drilled in 1-in. square blocks of Hastaloy C, Mossberg did the job with a Cold Point in 2 min. per hole. It was taking the manufacturer 1 hr. per hole with conventional equipment, plus several drills and time out for sharpening.

In a special application for the government he drilled 1/4-in. dia. deep holes in Zirconium (actual depth classified) at the rate of 1-in. per min. Standard oil-hole drill configuration made it impossible to get a true hole less than 3/8-in. dia. and this oversize hole, same depth, took several hours to drill.

Mossberg's exclusive taper length 1/4-in. drill sells for \$13.23. On a comparative basis, cost of the Cold Point falls between the carbide-tipped and oil hole drills. For a 1/2-in. size a carbide tip drill costs \$12.37, an untipped oil-hole drill, \$15.87, and the Cold Point \$14.11.

The drills are now in pilot production with normal delivery, according to Mossberg, in four to five weeks. He says they are being distributed through regular specialized cutting tool distributors.

Material	Hole Diameter (in.)	Hole Depth (in.)	Drilling Time (sec.)
Bearing Bronze	1/4	3	6.0
Cast iron	7/16	1	3.8
Formica (glass type)	"	1 1/4	3.3
303 Stainless steel	"	4	42.0
316 Stainless steel	"	3 1/2	47.0
4615 Steel (62Rc)	"	1/2	3.0
Inconel	"	3	150.0
Monel-R	"	4	79.0
Cast Stellite No. 36	3/16	1/2	25.0
Mangaloy	7/16	2	60.0

## Western Tool Show Brings Sales

(Continued from page 1)  
landed by the True-Trace Corp., a West Coast machine tool controls firm. Overall sales activity was satisfactory, too, with a large number of good prospects offsetting the rather light attendance of 12,000.

Show visitors, mostly affiliated with the local aircraft and missile industry, showed most interest in the displays of automatic and semi-automatic equipment. True-Trace Corp.'s new synchro-trace unit drew a lot of attention.

This system, designed for die and mold making, automatically contours a part from a master. This unit is unique in that it is available as an attachment to existing machines used in the die and mold industry including milling machines and Kellering-type machines.

Bridgeport Machine Co., alone, bought 100 of these units at the show. Although Bridgeport of-

ficials had conducted preliminary negotiations with True-Trace on the system, they had not seen a unit in operation before show time.

Visitors also crowded around North American Aviation's numerical control demonstration. North American's Autonetics Division featured its first public showing of an advanced model of Numill, its multiple axis machine-tool control system. The Numill system was attached to a Browne and Sharp Number 2 Vertical Mill. The system automatically scribed a series of station lines on metal to better than 0.0001 in. accuracy. Autonetics says Numill can be applied to a wide range of machine sizes and types for tooling production and inspection systems.

There was a variety of precision equipment displayed at the show, reflecting the increasing demand for such equipment on

the part of the missile industry. Perrin Brothers, Ltd., a Swiss concern, demonstrated its new high precision optical jig-boring machine. This unit is accurate to 0.0001 in. and is equipped with distance view projection screens which permit distortion-free viewing from any angle. The machine has infinite spindle speeds up to 3,200 r.p.m.; the spindle head has rapid power feed with push-button control. In addition, the coordinate table may be used as a measuring table or applied to a radial drill or a milling machine.

## Non-Ferrous Prices Continue to Firm

(Continued from page 1)  
both better demand and the recent imposition of import quotas. Commodity men feel that the quotas will stem the flow of foreign metal.

New lead price (12 1/2¢ a lb. as quoted by both producers and smelters) is the highest level in over six months.

New zinc tags (11¢ a lb. East St. Louis) are the highest since June 1957.

The improved outlook for aluminum is behind the decision of major producers to raise output.

## Dr. Lewis Gives Purchasing Views

(Continued from page 1)  
for the accumulation and utilization of systematic data for making administrative and policy decisions.

• Greater utilization of the services within the supply division of technical experts in mathematical-statistical methods and in value analysis.

Lewis, a professor emeritus at Harvard, noted that "though top management has come increasingly to recognize the importance of materials management, it is the function itself in which it is interested, not in the purchasing department as such or in the P.A."

## Financing for Inventories Will Become More Difficult

(Continued from page 1)  
bankers to approve larger loans. Bankers will be rationing credit among their preferred customers as the Federal Reserve gradually tightens up in the months ahead.

This type of situation already prevails on the West Coast where San Francisco banks report less money available for long-term loans than there was several months ago.

San Francisco banks point out small firms are being hit harder by the shortage than large ones, partly because they often find it harder to qualify and also because they frequently rely on banks for capital purposes. But San Francisco area firms report they've had no trouble getting short-term inventory loans, etc.

The Federal Reserve has posted clear signs of what it has in mind. As managers of the country's money supply, officials feel they moved too slowly in restricting credit in 1955, the last time the country pulled out of a recession. They blame themselves partly for the inflationary period that followed.

First, the board jumped margin requirements on stock purchases. Next, it increased the discount rate—interest paid by commercial banks when they borrow from the Federal Reserve—and further increases are expected.

Finally, the money managers are allowing seasonal increases in demand for credit to reduce the idle reserves of banks. This cuts down their lending potential and tends to make banks more selective on loans.

The Board says it fears an outbreak of unhealthy speculation that could undermine developing recovery and stresses there has been "no drive to cut bank credit or the money supply." But the rapid increase in money supply that marked the Board's policy during the recession has been cut off.

Disagreement in this comes

from the respected Summer Slichter, the Harvard economist who forecast almost the exact nature of the recent recession. He says it is a year too early to begin to restrict credit. He argues that credit should be kept easy. Otherwise, he fears full recovery will be delayed for two or three years.

Here is how bankers around the country view the business loan situation:

**Atlanta:** Banks generally report no change in attractiveness of business loans of any type, regardless of whether they are small or large firms, short or long-term loans. One leading bank told PURCHASING WEEK it is making more 5-year loans to small business than it has in the past and is stepping up solicitations to small and medium-sized firms. Bankers and borrowers both are anticipating higher interest.

**Cleveland:** Both small and large companies have access to money in equal measure, according to Cleveland bankers. Only difference in terms is that the larger firms apparently get choicer rates.

**Chicago:** Several leading banks point out they are particularly interested in short-term loans to smaller businesses and give them first consideration. These banks are looking for more intermediate term loans which "we like" but complain "we are having a hard time getting them." Requests for big business loans also are on the upturn and the comment was: "We are glad to have the business." Bankers agree interest rate will go up and soon.

**Dallas:** Bankers here lean definitely toward short term loans. One commented: "Never turn down a short term loan if it is a good risk, whether small or large company."

**New York:** One of the city's biggest banks says its lending policy remains unchanged, making it a point to accommodate small firms as things get tough.

## Public Buyers Meet at Boston, Study Problems

(Continued from page 1)  
president of the Ford Motor Co., General Motors Corp., and the Chrysler Corp. requesting them in view of the possible financial impact of the new policy on state and local finances, to consider a review of this one situation, with a possibility of affording some relief to state and local taxpayers."

Other resolutions concerned tax exemptions, fair trade, and creation of a central claimant agency to handle priorities and allocations to state, county, and municipal governments in time of an emergency.

More than 1,500 federal, state, municipal, and foreign public purchasing officials exchanged ideas and techniques designed to get "more value for the tax dollar."

The N.I.G.P. presented its coveted distinguished service award to Joseph W. Nicholson, soon to retire as purchasing agent for the city of Milwaukee, Wis. this award has been granted only three times in 14 years.

Another feature that sparked interest in this year's conference

was a series of round table discussions. The topics included automotive developments, bid analysis, purchasing fire hose, identical pricing and how to combat it, and purchasing insurance for public facilities and services.

Both these formal sessions and informal discussions spotlighted the growing need for more "professionals" in the public purchasing ranks. Emphasis was placed on attracting, training, and holding "good buyers" in government service.

On the problem of identical bids, Nicholson, who led the discussion, said this creates a serious situation for the public P.A. who is often bound by purchasing laws and ordinances which usually require sealed competitive bids.

"The fact that prices are identical does not unnecessarily indicate collusive price fixing on the part of bidders," he stressed. "Some suppliers do not seem to be aware of the Sherman and Clayton Acts which were written to prevent collusive price agreement among vendors."

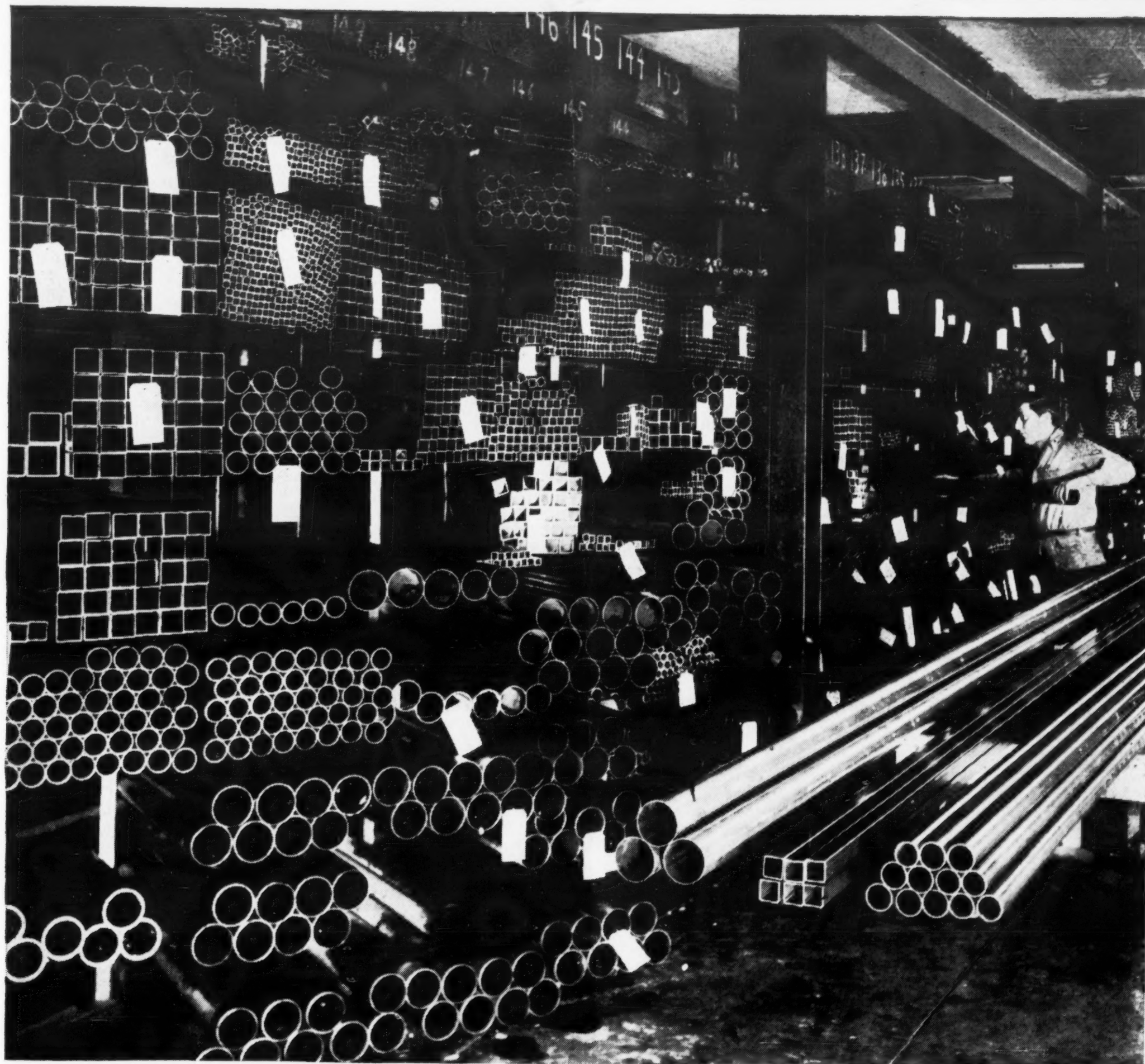
Nicholson said the best way to retaliate when collusive price fixing is indicated is to take the matter before the Federal Trade Commission. Other ways to resolve the problem are to readvertise the bids and to trade in obsolete equipment when purchasing new.

Another conference highlight was a two-hour workshop session centered around three topics: Federal use standards and their implications for state and local governments, federal, state, and local purchase price relationships, and ways and means of stimulating competition for public business.

Rexford G. Wessels, procurement officer of the district of Columbia, said a good way to stimulate competition is to expand advertising of bids.

"Unfortunately," he said, "the public purchasing agent is sometimes literally forced into channels of negotiating without competition because he lacks sufficient personnel to do the extra work entailed in obtaining competitive bids within time limitations."





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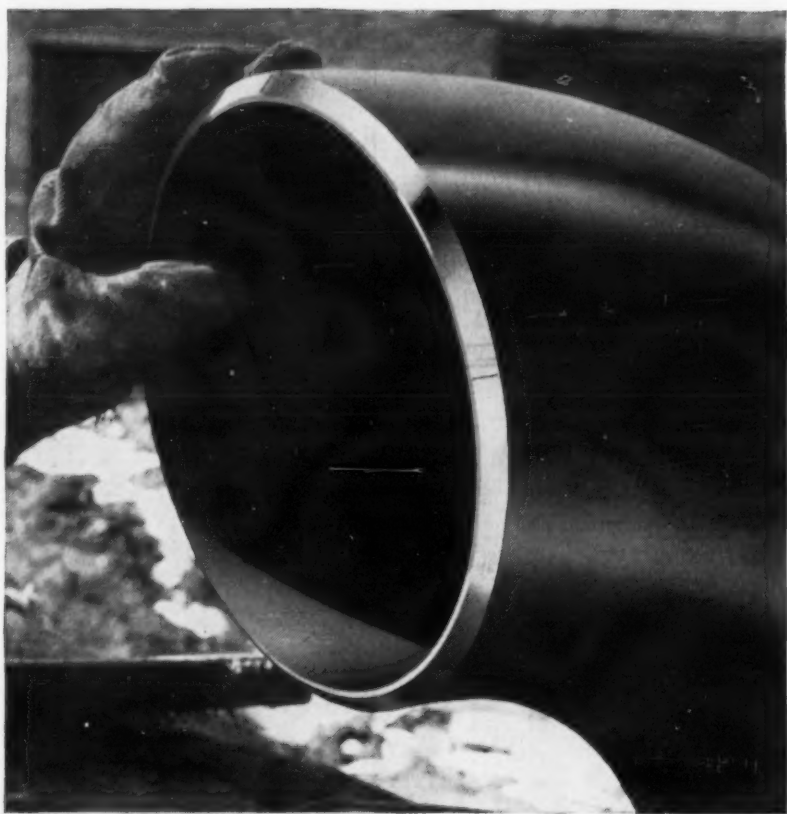
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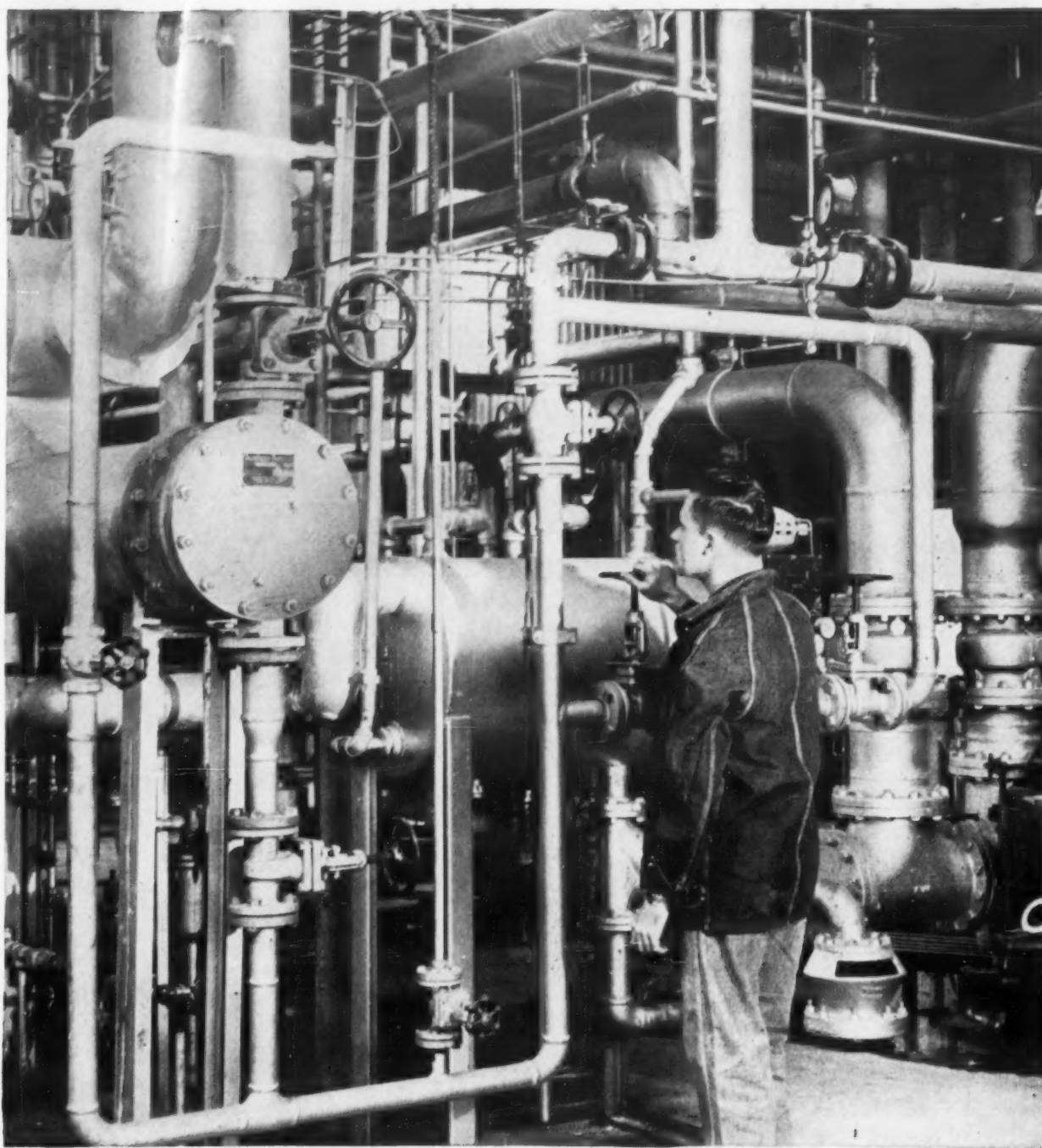
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